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PAUL'S SCHOOL
OF
STATESMANSHIP

BY
WILLIAM H. HARVEY
AUTHOR OF "COIN'S FINANCIAL SCHOOL"



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25 East Austin Avenue
CHICAGO ILLINOIS

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BY

W. H. HARVEY

Monte Ne, Ark.

“I thank thee, O Father of Heaven and Earth,
because thou hast revealed unto babes” (the pure
of mind and unselfish) “these things that thou
hast hid from the wise and prudent.”—Matthew,
Chapter XI, Verse 25.

PROLOGUE

A copy of this publication will be placed in a vault, in a reinforced cement concrete pyramid (now being built), with accompanying literature to aid in its translation, with the possibility that it may be found by a future civilization rising from the ashes of this civilization; if this one is to go down engulfed in a sea of prejudice and human savagery.

Geology is the most infallible historian of the Earth's surface. It, *in its* language, written on the stratas of the Earth's formation, gives the information to us that the Earth has been inhabitable for as much as 100 million years, and inhabited for untold millions of years. Prehistoric relics confirm this and tell of "prehistoric races" that have gone before us.

It is fair to presume, that some evil trait in human character, resulting in an economic poison in the construction of government and society, is the cause of the death of the civilizations that have preceded us.

What is contained in this book, learned at the proper time, before the fatal poison has gone too far, can save and create a civilization that will be permanent here on Earth.

At the time this is written, it is a fair presumption that it is now too late to save this civilization. In an era of political, mental and moral dementia, it is now plunging to its ruin. There is only a slight hope that Reason, Truth and Justice will be sufficiently restored to the minds of men to save it. With that hope, this book is published; and while there is yet opportunity to *print and build*, it will be preserved for coming ages, to inform and admonish of the cause of the death of *this* civilization.



THE PYRAMID NOW IN COURSE OF
CONSTRUCTION IN WHICH THIS
BOGE WILL BE PLACED.

The Pyramid is being built under the supervision of twentieth century engineering skill in the track Mountains, 40 feet square at the base and 125 feet high. A full page, illustrated, description of it has appeared in 100 metropolitan newspapers and in the Evening Herald. For a complete description of it see page 160 of my book.

A NOTE BY THE PUBLISHERS

A GOVERNMENT WITHOUT
TAXATION

A SURPRISING AND STARTLING REVELATION,
LOGICAL, PRACTICAL AND CONVINCING. THIS
BOOK DISCLOSES THE MOST IMPORTANT DIS-
COVERY, RELATING TO CIVILIZATION AND THE
PROGRESS OF THE HUMAN RACE, THAT HAS
BEEN MADE IN ALL THE HISTORY OF THE WORLD

THE BOOK

PAUL'S SCHOOL OF STATESMANSHIP

CHAPTER I

It was in the summer of 1924 at Monte Ne, Ark., a picturesque resort, in the Ozark Mountains, that a boy came down out of the mountains and mingled with the tourists and natives. He was dressed in cloak and sandals as if he belonged to an ancient day. He made known his desire to conduct a school for the boys with permission for the men and women to come and hear him. His appearance and pleasing manners won him much and favorable attention. He said his name was Paul. That was the only information about himself that he gave.

Mr. H. L. Hardin, of Scranton, Kansas, a guest at one of the principal summer hotels, took a leading interest in securing a suitable hall for the school; and with all the arrangements set and the attendance good, the school opened, Monday, June the 10th.

When the little fellow came forward on the platform, all was silence and attention, the hall packed and attention good. Boys, with a sprinkle of girls, occupied the front, center and major part of the hall, with grown people seated and standing in a circle about them. Curiosity was expressed on every face, as to what the boy was going to say, what he meant by a "School." He first made no mention of his subject or what he meant by a "School." But, his strange ap-

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pearance, manner, bearing and expression won an interest in him, that wanted to know more and more.

With a smile, yet a serious expression on his face, he stood, for a time, looking at his audience, shifting his eyes encompassing them all. Then lowering his gaze to the circumference that embraced the boys and girls, and speaking slowly, he began:

"The men and women have made a failure of this world. To express it another way, unhappiness, discontent and world chaos exists and the men and women are responsible for it. All now depends on you. In their acts and manners, political and social, they are setting you a bad example. While yet young, your minds are more pure. You have a desire to have things right and good. You have sentiment and love of happiness. Your minds are not yet warped by the evil example that is being placed before you. It is up to you, to take hold of this world, this disrupted civilization, and set it right; and as you grow older you will be stronger, physically and mentally; and you will create universal happiness, and health, and know the stars, the universe, and have eternal life! That is the object of this school. Those who are selfishly blind cannot see. I am going to show you how to see. How to accomplish this great thing of which I speak."

He paused with his hands locked behind him, and in the interim, smiles of skepticism were on the faces of the grown people. He will soon be talking in intangibles, something that no one can comprehend, things that are vague and unreasonable, is what they thought.

"People have been thinking wrong," he continued, "their minds imbued with superstition

and selfishness, and while thus infected, evil results have followed. It is only through freedom of the mind, pure reason that is unanswerable, that we can untangle this knotted civilization." And as he said this he placed the point of his index finger on his forehead—and again he paused. "The one great purpose, the ambition, of one and all, should be to build a perfect civiliza-



tion. It is a happy thought, a happy work. It is by thus thinking you can acquire happiness.

If you are building a house in which you are going to live, a home in which are all the conveniences and comforts, it is pleasant work. And in building the Temple of Civilization, in which we are all going to live, it too, is pleasant work. In building a house that is to have all the con-

conveniences, an architect draws the plans. In building the Temple of Civilization, we must have a plan to work by. If each workman has a different plan, each his own idea, and all different, there will be confusion, and no Temple will be built. We must first agree on the plan and then have the architect, one who is honest and capable, make the drawings and write plainly the specifications. We are going to work out the plan, right here, for building the Temple of Civilization. A plan that will provide for all the comforts and conveniences for living comfortably and happily, with health and eternal life. That is the object and purpose of this school."

Then came an interruption. Mr. Nakdimen, a banker from Ft. Smith, Ark., standing on the front side line of the audience, who had been listening attentively, stepped forward down an aisle, a few paces, and said, "How do you expect so many people of different minds to reach an agreement, one that will stick and work out the desired results? That is the stumbling block over which the people have fallen for ages."

All eyes for the moment were turned on Mr. Nakdimen. The little boy had listened calmly and now answered: "We are going to agree, human reason the purest that God has given man, is going to sit enthroned here; and when that great Arbiter, architect, has given answer, we are going to agree, with yourself included."

There was a prophecy of truth to come in the expression on the face of this strange boy that stood on the platform. He continued: "The chemist in his laboratory, seeking a discovery, mixes this and that without argument or dissension at his elbow. The inventive genius that has given you the telegraph, the telephone, the wire-

loom, the automobile, the flying machine, the typewriter, the linotype, that sets type in the printing offices, and a thousand and one other inventions, in the quiet of his workshop, tries and applies tests and experiments without argument or dissension at his side. Thus have discoveries and inventions been made—**wonderful, astounding inventions and discoveries!**

"But, putting together a civilization and perfecting it, is not the work of one person. It requires the assistance of the many; the will and consent of the multitude. This has resulted in argument and dissension, quarrels and disputes, selfishness interposed, prejudices, resulting in compromises, and no fair and perfect test made, or plan adopted, that would give the desired result—a perfect civilization."

A boy sixteen years of age, a farmer's boy, Levin Graham, living near Monte Ne, sitting on a front seat, arose and said, "What is a civilization? What kind of machine is it?" then took his seat.

Paul replied, looking down at him and then raising his eyes and voice to the audience, "A civilization is the result of a set of rules of action, we call them laws, by which there is an attempt for the people to live in peace, prescribing rules for the ownership of property, securing justice and protecting life, liberty and the pursuit of happiness. Persons are chosen to make the rules and to construe and enforce them. This is what we call 'government'; and the result is what we call 'civilization'."

The little schoolmaster repeated this in several verses and then asked all the boys and girls who understood him, to signify it by standing up. This they all did, and then he proceeded.

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“The result may be a civilization good, bad or indifferent. Thus far all attempts have been, in the end, failures, resulting in injustice, the accumulation of nearly all the wealth, the property, in the possession of a few, and, the impoverishing of the many; heavy and unjust taxation, increase of crime, tenantry, wars, the killing of each other, and, general discontent and dissatisfaction. No experiment in government, civilization, has heretofore succeeded. In some instances good starts have been made, but in the end have failed.

“Three forms of government have been relied on to get collective action and the desired result; what is known as a Monarchy, a Republic, and, a Democracy. And in many instances a mixture of these.

“In a Monarchy one man, or woman, is given power to fix the rules, laws, governing the people and shaping a civilization, selected for life, with this power or authority to descend by heredity to the oldest son or daughter. Such a person, so chosen, has been called ‘King,’ ‘Queen,’ ‘Emperor,’ or ‘Czar.’ He or she issuing decrees fixing and prescribing the rules and conduct of the people and punishment for their violation. Such a form of government would be a success, if, the Monarch was all wise, and just, and had in view the unselfish promotion of a great and perfect human race—a perfected civilization. One that would meet with the good will and approval of all. But it has failed, ever failed, because of the lack of wisdom and great purpose of one thus enthroned in power. Vanity and selfishness, pomp, luxury, and extravagance have characterized each attempt thus made; with unbearable taxation on the people and tyrannous decrees, as

the people revolted, to hold them in subjection. Considering the great selfishness with which the human race is infected such a form of government is wholly impractical. It is not to be considered.

"In a Republic, the people by ballot, select for a year or a term of years a chief executive, other officers and a congress or legislature. The latter to make the laws, rules of action, prescribing what is right and what is wrong and the Executive to see that these laws or rules of action are obeyed. By this form of government the making of laws, rules of action, are delegated to those who are elected to congress or the legislature. This form of government has, on each test made, proven a failure; very much for the same reason that a Monarchy fails—selfishness.

"In a Democracy a chief executive is elected by the people for a term of years; and the laws, or rules of action, as nearly as possible are made by a majority vote of the people. Policies and chief questions, subjects, are submitted to the people and adopted or rejected by a majority vote of the people. In connection with a Democracy, a limited number, much smaller than in a Republic, are chosen to congress or legislature to put in force and provide for details in carrying out the will of the people. This form of government, on each test made, has also proven a failure—for the same reason that Monarchies and Republics have failed, ignorance, vanity, and selfishness.

"Do we see by a history of the human race, that all these forms of government have proven failure. Each in its turn, as tried, has fallen. There is no other form of government than the three named. It is either to leave it to one man, with the understanding that he may call about him, or, to delegation, representatives, elected by the peo-

ple, or by referring directly to the people, rules of action, that are to regulate and shape civilization. It is out of these failures that we arrive at a correct conclusion as to how to proceed to be successful.

"I have said enough for you to consider, for one day, as we approach the great subject that lies before us. I am going to place here on a blackboard the definition of the three forms of government, and tomorrow morning at 10 o'clock, when we meet again, I will ask each of you boys and girls, if you understand them; this does not include the men and women, and each of you who do understand them, the three forms of government, and wherein they differ, will, when I call on you, stand up, and I will have pinned on each of you a beautiful silk badge!"

With this statement the school had closed for the day.

As the grown people passed out the boys and girls were seen to flock forward, on, and close to the platform, reading the definitions of the three forms of government. They were taking an interest in the subject that so much concerned the future happiness of the human race. The little schoolmaster, with many wistful faces turned toward him, pressing his way through, was leaving the hall.

As he passed by and through the crowd, at the rear of the room, there was, with most, a pleased and favorable impression. One woman, sympathy and curiosity expressed in her features, stopped him and asked a question. He replied by saying that he wished all questions to be asked while the school was in session, that all might have the benefit of question and reply, and then he passed on.

CHAPTER II

THE SECOND DAY

Promptly at 10 A. M. the second day, the hall was packed with people, with Mr. Charles McKenney of Ogden, Iowa, and Mr. M. T. Bruce of Deming, New Mexico, acting as ushers, assigning about one-fifth the room, seats in a semi-circle next to the speaker, to the boys and girls, mostly boys.

At 10:10, with everything in readiness, the strange boy came down the center aisle and took his position, standing, on the platform facing the audience. His poise reflected a balanced mind, self possession, a modest and unassuming demeanor, that made a favorable impression and again awakened curiosity as to what he was going to say.

His eyes encompassing all his audience and then lowered to the boys and girls, he began:

"At the first session of this school yesterday, I explained what is a Monarchy, a Republic, a Democracy, and words defining each were left here, in large type, on the blackboard. You had listened to me attentively and when I left the room you remained studying these three forms of government." He was looking at the boys and girls.

"I will now ask all of you who think you understand these three methods of government to stand up." Which he accompanied by raising his two hands.

All the boys and girls, except three, rose to their feet. It was learned that the three who did not rise were not present on the first day.

The little schoolmaster then had them fall in line and circle round before him as he knelt and pinned a badge of blue ribbon on each, on which, in gilt letters, were the words, "An Embryo Statesman." Each of the boys and girls looked up into his face with interest and confidence. It is the secret of teaching to awaken interest in what is being taught and love and confidence in the teacher. The school was making progress.

When they were seated he continued. "We have seen and history teaches you that all three forms of government have failed." He was now speaking slowly and addressing all the audience, young and old.

"They have all failed because of ignorance of the Science of Civilization; and selfishness—one seeking to get the better of others, or of one class of citizens seeking and securing special privileges that enrich that class and despoil all other classes. These things that have been practiced under all forms of government would **destroy any form of government.**

"We are now going to lay the foundation for a true government—and the perfecting of a civilization. I am speaking for the great Architect of the Universe—unselfish and divine wisdom." As he said this he pointed upward toward the sky with his forefinger; and he was speaking slowly, which he continued to do as he proceeded.

"In the organism of the Body Politic"—his eyes now on the boys and girls—"Body Politic means a nation of people under some form of government, thus referred to in these two words. The organism of a 'Body Politic' to be successful

in bringing happiness, and contentment to all the people must observe certain principles; and these, observed, enforced and practiced, all other things will come right—and civilization will advance to a perfect civilization—selfishness will disappear from human character, the people prosperous and happy, civilization ever advancing, ending in eternal life.

"One of these essential things, without which you cannot make a perfect civilization, is the teaching of character. It is the most important part of education—teaching and training the minds of the young so as to bring them permanent happiness and make them great men and women.

"Of course, education as you now have it will proceed, reading, writing, arithmetic, grammar, how to speak and write correctly, and geography, a knowledge of the countries of the world. These things you should study as you are, no doubt, studying in your schools." He was now looking at the boys and girls.

"But in connection with these studies," and he turned his eyes to the grown people, "there should be, first, a system, of teaching character. It can be as effectively taught as reading, writing and arithmetic. In fact easier and more readily understood. To have a literary education without great character, fits one the better to do wrong than to have a bad character.

"Education is all powerful, properly applied, especially at the age when boys and girls are yet young, getting their first impressions, viewing things around them, observing the older people and all that goes on of this world about them.

"It is the duty to apply the education of this young people to teach in all the homes and

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in all the schools. The teaching of a few subjects in the schools will automatically produce good character.

"These subjects to be taught in the homes and in the schools are:

"Teach why promote the common good? That man serves himself best by promoting the common good. What the people do singly and collectively to make a better civilization, is promoting the common good. The true purpose of civilization is the advancement of the human race. Those who promote the common good are building the Temple of Civilization. Those who do not help to promote the common good, neglect it, or, try to pluck it, are tearing out the pillars from under the Temple of Civilization. Act toward others as you would have them act toward you. In every school room, on the wall, behind and above the head of the school teacher, in large letters let there be these words: 'One serves one's self best by promoting the common good.'" The little teacher now paused for a moment, and then had all the boys and girls stand up and repeat after him, "One serves one's self best by promoting the common good." He then had them hold up their hands as he did his and again repeat, "One serves one's self best by promoting the common good." Again a third time, with hands up, moving in gestured rhythm with the words and in louder voice came the words, "One serves one's self best by promoting the common good."

The little teacher then placed his hand on a spring bell on a table by him, giving it one ring, and said with a smile on his face, "That means that you now take your seats." Pausing until they were seated, he continued:

"With a cheerful disposition," he was speaking directly to the boys and girls. "It will assist in making one happy. A cheerful disposition will make one more popular with others. A gloomy and quarrelsome disposition will make one unpopular. With a cheerful disposition one is more apt to succeed in life. A cheerful disposition imparts happiness to one's self and to others. A cheerful disposition is the sunshine of life."

He then tapped the bell, and said that meant all the boys and girls to stand up, which they did doing, showing an interest in what they were saying. "Now repeat after me," he said, which they did. "A cheerful disposition will assist in making one happy." "And now again," he said, "holding your hands up," "A cheerful disposition will make one more popular with others." Their eyes were showing more confidence in the part they were taking. "Now again," he said, "with your hands up." He too was holding up his hands and moved them slightly forward and back, as the words were spoken, as did the boys and girls, seeing how he moved his. "A cheerful disposition imparts happiness to one's self and to others." Their voices were now ringing all parts of the hall. "And again," he said, "repeating with me," "A cheerful disposition is the sunshine of life." He tapped the bell saying all back their seats, smiling at each other and looking up at the teacher. They were all happy they were helping to run the school.

In the audience, the fathers and mothers of children looking on, the hall packed with older people, a profound impression was being made, expressed in applause as the boys and girls, in standing, took their seats. All realized that not

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only was a lecture being delivered, but that a real school was in session.

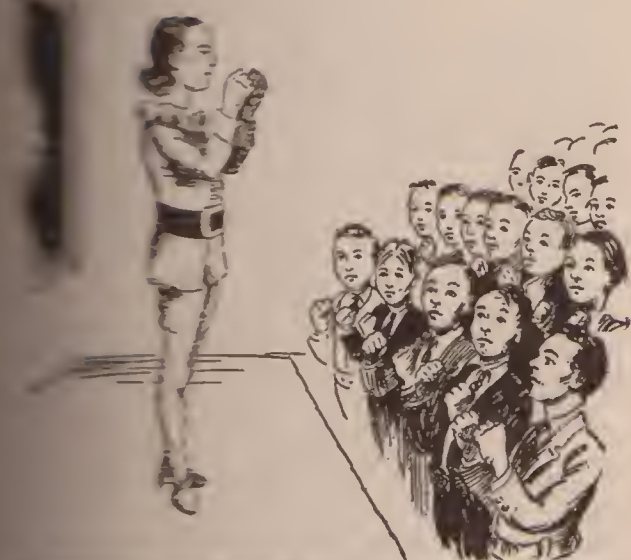
There was a pause until all were quiet, then the little schoolmaster began. "If you want to be happy be honest. If you would be content and have peace of mind, be honest. A dishonest man is looking over his shoulder, as it were, to see what is going to hit him. If a man is honest, it will give the face a pleasant appearance and to his person a manly bearing. In a woman, her expression will be more attractive and her manners more pleasant." He was looking at the boys and girls and speaking slowly, so each thought could be absorbed before uttering another. "Take only that which is yours and accord to others that which is theirs—and do not do wrong and resort to selfish reasoning to quiet a conscience that will be bruised and discontented by such treatment."

With this he tapped the bell and all the boys and girls in the class, now numbering about forty, rose to their feet. "Place your hands on your hips and keep them there while repeating after me," he said, while his eyes with an affectionate expression was slowly catching each and all of theirs. With his hands on his hips, all repeating after him, he said: "If a man is honest, it will give the face a pleasant appearance and to his person a manly bearing." A pause. "In a woman, her expression will be more attractive and her manners more pleasant." A pause. "If you would be happy, have peace of mind and contentment, be honest." He tapped the bell and the boys and girls took their seats, with the audience applauding.

He waited to give time for the lesson to soak in to the minds of all listening. It was at a period

...like a poisoned food, was infect-
 ing the body politic; and men high in
 position who had doomed themselves to shame
 and gloomy futures.

He continued: "To be happy you want to be
 industrious. An idle person cannot be happy.
 Industry is the Devil's workshop. Industry,



INDUSTRY IS THE SUNSHINE OF LIFE

Industry, when it is directed, tends to a happy state of mind
 and contentment. A lazy man tries to make a
 living without work. This causes him to lose re-
 spect for the rights of others. He wants some
 one to support him and that is dishonest. An
 idle man is usually a gossip, making trouble
 for others. Idleness weakens the mind and soft-
 ens the body. Industry brings with it a stronger
 mind and a stronger body. Industry may be

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either mental or physical. One who is industrious sleeps sounder, has a better appetite and better health and is a better citizen, the wife in the making of a good home and the husband in providing for the home."

He tapped the bell and they all stood up, looking at their little teacher with great respect. "Now fold your arms and look at me," he said, folding his own arms to show them what he meant. "Repeat after me," which they did: "One who is industrious sleeps sounder, has a better appetite and better health and an opportunity to be happy and contented." A pause, then again, "Idleness is the Devil's workshop and leads to permanent unhappiness—I will take this lesson home with me and remember it all the days of my life." A tap of the bell and they took their seats. Parents present were quiet at the conclusion of this lesson, but were nodding at each other their approval, then came hand clapping. He paused until the audience was quiet.

"To be successful," he continued, looking at the boys and girls, "You should be self-reliant. Take reasonable assistance at school or from others, then study your lesson out yourself. When you go out in the world, profit by the experience of others and then rely on yourself. Carry your part of the responsibilities of life. By doing so you will have more respect for yourself and be more worthy in the sight of others. If you sponge on some one else, whether your parents or on others, they will lose respect for you. Self-reliance makes one stronger, physically, mentally and morally."

He tapped the bell and as they all arose he had them move back the front chairs to give room on the floor for them all to line up in a straight line

He then came down on the floor, stepped up and down the line getting it straight. Then standing in the center in front of them he instructed all to hold their heads up, their shoulders back, and stretch, as it were, their bodies to a point beyond with their arms hanging by their sides.

Then turning them with pride in his eyes, in a voice heard over the whole hall by an audience of boys, listening and listening, he said, "Now repeat after me," which they did, "Self-reliance makes one stronger physically, mentally and morally." He then said, "I am proud of you, repeat the motto and take your seats." As they sat the audience was applauding. A lesson well learned was the sentiment. And all, including the boys and girls, were ready and curious to know what would come next.

Again standing on the platform, he continued: "You have now covered the positive forces for building true character. Each individual serves the common good best by promoting the common good. A cheerful disposition, honesty, industry, and self-reliance. Of these the first is the most important. He who has an earnest desire to promote the common good, is instinctively honest and reliable. But, while one may appreciate the importance of the common good, have a cheerful disposition, be honest, industrious and self-reliant, and a good citizen, one is not a perfect character until he appreciates the importance of eliminating from human character, selfishness, vanity and prejudice. To arrive at a perfected civilization these three faults must be practically eliminated from human character. Education and what is to follow in the future progress of this school will in time do this. Selfishness is a love

of self with a desire to have, to possess, regardless of the rights or happiness of others. Selfishness, unchecked, will in time destroy a republic, a democracy or any form of government. It has caused most of the suffering and distress of the human race.

"Vanity, is to be foolishly proud of one's self. It manifests itself in one's manners, bearing, dress and conversation; and if cultivated becomes a stumbling block to true success. One should have self-respect, be clean and well dressed, confident, self-poised, but not vain. Many men want office from motives of vain glory, and become the tools of selfishness.

"Prejudice injures the person who nurses it in his breast more than it does the person against whom it is directed. If you would be contented and happy, form an intelligent opinion of others without prejudice or hatred. Prejudice and hatred rankling in one's breast causes loss of sleep, loss of appetite and loss of health. It poisons the blood and from it has come one of the most vile of infectious diseases. It breeds crime, murder, neighborhood strife and war, the wholesale killing of each other.

"These things of which I have spoken, taught, beginning with the child on the mother's knee, in the schools, in the school books, by parents and statesmen, will, in time remove all cause for prejudice and slowly eliminate selfishness and vanity from human character. And, then a democratic form of government will be a success, that will not die or be overthrown—will live on forever, to the perfection of civilization.

"But the people of the world are not now in a condition, or state of mind, to teach or study character building. The civilization you have, has

been put upon a false system that is now wrecking itself; and all the world is in confusion. Hellishness, vanity and prejudice are now running riot soon to engulf this civilization and number it with prehistoric civilizations—attempts at civilization, now dead, that have gone before this one—**unless quick action is taken to set this one right.**"

Here came an interruption by Mr. C. C. McCormick, of Aurora, Missouri, standing to the front and side of the adult portion of the audience. He said, "My dear little sir, you have not half stated the horrible plight now affecting the people of the world, bankruptcy, property mortgaged, the public bonded, taxation unbearable, tenantry, crime, suicides, insanity and divorces increasing, political corruption affecting all branches of government—more detectives, police, extra judges and court officials, bureaus, committees to investigate, boards and other officials multiplying and wrecking the country, grafting, or, trying to hold down the situation; and, it, yearly, growing worse. The people are now like the man a-hold of a bear's tail—they can't let loose and they can't hold on. Tell us how to let loose and get the best of the bear!"

The little teacher had paused, looking at Mr. McCormick. He now said, "In tomorrow's session of the school I will begin telling you," looking directly over the audience, "how to let loose of the bear's tail and to get rid of the bear. I will show you how to have a civilization where there are no taxes, no armaments, no tax collectors, no wars, the people prosperous and happy and public improvements going forward rapidly." With the gesture of his right hand, his left hand pressing on and ringing the bell on the table by his side, the period for the day had closed.

All retained their seats or remained standing as he passed out, and about one-half the audience was applauding. The other half was doubtful or cynical. "Socialism," was the expression of many. "He is now off his base and gone wild," was the substance of what some others said; "foolish," others said, "nonsense, think of running a government without taxes"; but all passed from the hall in a thoughtful mood. That there was world chaos no one questioned. What had set it wrong and what would set the world right was the question; and they were all willing to listen to this little boy who spoke as one might speak with hundreds of years of age on his shoulders; and out of sheer curiosity if for no other reason they wanted to come back to hear this strange boy, whose personality seemed to have a halo of mystery about it. Had he stopped with his character building lessons, all would have been his admirers, but closing as he did, "no taxes, no assessors, no tax collectors," and yet maintaining the expense of government, put everything up in the air. "Impossible," said one; "ridiculous," said another. Yet with all there was curiosity to hear what it was. Attempts were soon being made to get reserved seats for the next day; and wire reports of this strange boy and his school were being flashed out to nearby newspapers.



CHAPTER III

THE THIRD DAY

The news of the school had gone out into the country and neighboring towns and with it the astounding proposition that there could be a government without taxation, or bonds, and that public improvements could go on without cessation or stoppage. It was unbelievable, but thousands wanted to hear it at first hand.

As early as 8 o'clock, people were arriving in automobiles, and by 10 A. M. more than a thousand people surrounded the hall, which was in a summer pavilion with canvas sides, now rolled up, so all standing outside on higher ground that overlooked the pavilion could see the speaker.

A committee had been selected to seat the people and supervise all arrangements. They were Dr. H. L. Hardin, of Scranton, Kansas, Homer Cook of Leigh, Nebraska, and Frank O. Reed, of Great Wyoming, gentlemen who took great interest in the subject of discussion. And who, if it did not meet their approval, wanted to see the boy through—give the boy a chance.

Mr. Charles H. Clouston, owner of the Nellyette Ranch, near Mounds No, formerly of St. Louis, a well-to-do, public spirited man, a breeder of famous cattle, who had been present on the first two previous days, had wired St. Louis for an amplifier that the boy's voice might be heard for as far as five hundred yards from the pavilion. This had now arrived and was in place.

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Chairs had been placed in the aisles, the seats of the boys and girls moved closer up to the platform, with all seats and standing room taken and the crowd outside close about the pavilion. At sharp 10 A. M., the strange boy appeared on the stage, greeted with applause, coming, however, from only a few, otherwise intense silence with all eyes riveted on him.

He stood in perfect self-command, his eyes roving slowly over the audience.

"Yesterday," he began, "we emphasized the importance of character education, without which there can be no enduring government. And, then, a brief review of the chaos existing in the world, a condition of restlessness and discontent, a struggle for a living, and no time or state of mind to study or teach character building. Thus, before an upward movement can begin, to end in a perfected civilization, the present knotted civilization must be untangled, the present imperiled situation changed to one that will give peace of mind and contentment." He was speaking slowly with good articulation, and with the aid of the "sonder" every word distinctly heard by all.

"I want to say to the boys and girls," looking down at them, "I am today talking to the higher grade in this school and if you tire of listening, quietly step out the side entrance, and let others take your seats." Later the smaller boys and girls went out, grown people quietly entering and taking their chairs, the older boys remaining. Raising his eyes to the audience, he continued:

"To make the lesson simple, as to how to create peace of mind and contentment, prosperity for all, and, rapid advancement of civilization, I am going to ask you to fasten your minds on an island in the ocean, where an intelligent and successful

attempt, we will suppose, is made to found a government.

"We will say 2,000 families land on this uninhabited island, the size of your state of South Carolina, containing 30,495 square miles, having a good climate, fruitful of soil, virgin timber, and all classes of mineral. They find a navigable river on the banks of which they land at or near the center of the Island. There, in a fertile valley, they pitch their tents. The 2,000 families averaging six to a family, husband and wife and four sons and daughters, one son as much as fifteen years of age, making, father and son, two adults to each family, 4,000 capable of physical labor. A total population of 12,000.

"A mass meeting of the 4,000 adults is held, the mothers and younger members of the families preparing meals and comfort with the food and material brought with them.

"By a majority vote, at the mass meeting, a president of the colony is elected, also a general manager of all work pertaining to the common good, and a treasurer, a financier, to operate a bank belonging to the colony. There to be no other bank, except in future, branches of this bank, and no more lending money for profit or interest to anyone—money in the colony to be devoted strictly to its purpose—a medium of exchange for services and property. Not to be loaned to be hoarded to loan for a tribute. As the bank take it out of circulation and force the people to debt—to get it—regarded as degrading and degrading. And then two other men are elected, who with the president, general manager and treasurer, to constitute a committee, or council, to provide rules of conduct for the government, in harmony with measures

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and policies adopted by a majority vote of the people of the colony. The president, general manager and treasurer to give all their time to the common good and each to draw a salary of \$3,000 per year. The other two members of the legislature of five to draw no salary, but to give their time at each session of the committee where their votes counted the same as each of the other three.

"It was provided at the mass meeting that all title to land would come from the government, without charge, by deed signed by the president and treasurer, by order of the committee of five; and that no one should acquire title to more than one hundred acres, unless permitted by a majority vote of the colony—and no one could hold title to land that he or she did not occupy and adapt to use. On ceasing to do so it reverted to the government.

"It was also provided at the mass meeting that the legislature should adopt a system of public education for teaching reading, writing, arithmetic, grammar, geography and the teaching of character; and that all others, or studies of special subjects should be left to privately owned schools and colleges in competition and vieing with each other as to art and science and ability to teach special branches of education.

"Other things contemplated were left for future action. The running gear of a government, for the present, had now been put together.

"The 2,000 families had brought with them all tools and implements of their intended vocation, so there were carpenters, blacksmiths, shoemakers, and agricultural implements of all kinds, stocks of hardware and merchandise. Every thing of all kind that would be needed, including

a large safe for the bank, was there. Tents were used for temporary houses.

"The legislature held an immediate session and the next morning surveyors were busy laying out a town, and roads running in many directions from the town, with sections of land of 100 acres each. Choice of lots and land was made by a fair method of chance, with many swaps and changes following to get friends and former neighbors close together. Without giving further detail, all was soon activity, everybody busy.

"The bank was opened under a tent with counter and safe behind it. Deposit books, checks and all things necessary had been brought with them. By order of the legislature everyone had been requested to bring their money and deposit it in the bank, except what change they might need for convenience, and to pay each other mostly by checks.

"They had brought with them only gold and silver money. Excepting silver for change, it was all in gold, ten and twenty dollar gold pieces, the people having exchanged their paper money for gold and silver in the countries from which they came. The amount of money they had, independent of the few dollars of change retained in their pockets, averaged \$200 to a family. So about a few days there was deposited in the bank by 500,000 families, \$100,000.

"The policy established for the bank was that interest as much as 10 per cent of this \$100,000 could be started by the people at home, or in their pockets, and added to what had been retained. This would mean \$10,000 deducting this, if drawn on, it would leave in the bank \$360,000. Again the legislature in its disposition there should be held a reserve of 20 per cent which would

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mean \$80,000 more. In the United States, now, 10 to 15 per cent reserve is regarded as a safe banking policy. So, 20 per cent, or \$80,000 reserve, left \$280,000 to be used by the bank.

"This was used as follows: 120 school teachers, for 6,000 school children, averaging 50 to a school, at \$75 per month, payable semi-monthly, or \$37.50 every fifteen days of eleven days of school, each pay day \$4,500.

"On streets and roads, 1,000 men at \$2 each per day, omitting Sunday and rainy days, twenty-four work days per month, each semi-monthly pay day \$24,000.

"Fifty teams and drivers, \$4 each per day, each semi-monthly pay day \$2,400.

"Ten tractors and road graders at \$10 each per day, three men to each, each semi-monthly pay day \$1,200. Knowing what would have to be done, teams, tractors and graders had been brought with them.

"One hundred engineers, foremen and water carriers in automobiles, at an average of \$4 each per day—a semi-monthly cost of \$4,800.

"A total of 1,180 men engaged in street and road work at an expense, each semi-monthly pay day, of \$32,400.

"In the erection of school houses, the schools in the meantime being conducted in tents, and on a capitol building, 1,000 men, including saw mills in the timber sections, including foremen and other helpers, the same number in all as on streets and roads, 1,180 men, a semi-monthly pay roll of \$32,400.

"For material purchased. Each semi-monthly pay day, \$4,000. Total cost semi-monthly on public buildings, \$36,000.

"Government employees, other than those on roads and public buildings, including the president, treasurer, general manager, and superintendent of schools, recorder of deeds and their assistants, we will say thirty men in all, each semi-monthly pay day, \$1,800.

"With 500 men employed in private industry, other than their employers and members of their families, for whom cash money is wanted to meet semi-monthly pay rolls, at an average of \$2 per day, counting twenty-four working days in a month, twelve days in a semi-monthly pay roll, \$12,000. We will add, semi-monthly, cash drawn from the bank by depositors for other purposes, \$5,000. Remember, we have provided for \$40,000 and what small amounts as were retained by the people to also be in circulation.

"We now have a total of cash drawn from the bank, semi-monthly, to meet pay rolls and for other purposes:

Used teachers.....	\$ 4,500
For direct and road work.....	32,400
For school houses and other public buildings.....	36,000
For maintenance of government....	1,800
For rolls in private industry.....	12,000
Cash drawn, semi-monthly, for other purposes.....	5,000
	<hr/>
Total.....	\$91,700"

"If he gave those figures he placed them on a platform on the platform behind him. And

"The bank gave it all out, we will say, in cash.

As a matter of fact much of it will be checks, re-deposited and no money leave the bank, but we will say it is all paid the men at their place of work in cash, all of the \$91,700. Before the next pay day arrives, it will all, or as much as that, be back in the bank, re-deposited by farmers, merchants, school teachers, government officials and by all classes of citizens. As much, about, more or less, as had been paid out in the semi-month, will be back in the bank by the time the next pay day arrives. What does not come back to the bank in the fifteen following days, will be offset by deposits coming from the \$40,000 we spoke of or as retained at the beginning in the pockets of the people.

"The bank had to start with, \$280,000 of the \$400,000, additional to reserve or any necessity to keep. The first pay day it has paid out \$91,700, has it all back in time to meet the second pay day, and this is repeated, semi-monthly, until all the streets and roads are graded and paved—hard surfaced with gravel or macadam, school and other public buildings are completed and furnished, and books provided for all the schools. And no taxes have been levied or thought of, no bonds, no interest to pay. All the money they started with is in the bank, with deposit balances of each depositor varying from day to day. The bank has used the money, part of it, to pay expense of government and all public improvements, with the money constantly returning to the bank functioning by exchanging in a way to promote the common good. The money is going out, performing a service and returning to the bank to go out again and again—each time serving as a medium of exchange and coming back. No taxes, no bonds, no interest.

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"The man account of the Island stands as follows." Putting the figures as he gave them on the blackboard.

Of the 120 school teachers, 60 are men and 60 are women, so in the man account there are.....	60
Of engaged in street and road work there are	1,180
Of school houses and other public buildings	1,180
Of government administration.....	30
Employees in private industry.....	500
Persons cultivating their farms.....	500
Blacksmiths	50
Doctors	40
Shoe makers, millers and other occupations including one editor.....	350
Grand total	3,890

Of the 4,000 male adults on the Island this figure 3,890 to be absorbed where the demand for labor is the greatest. The women and daughters, not less than eighteen, are at home, or in school, or in the gardens or on the farms, providing for their comforts.

Of the \$400,000 for 12,000 population on the Island, \$100,000 is the sum of Thirty-three and one per cent per capita. Of the \$400,000, \$40,000, or 10 per cent, is in the pockets of the people. This leaves \$360,000. Of this, 20 per cent of the \$360,000 is retained in the bank as a reserve, leaving safely for use \$280,000." Putting the figures as he gave them on the blackboard.

"To put every one at work and everything functioning regularly, there was used \$91,700, leaving of the \$280,000, \$188,300 that did not have to move in and out of the bank semi-monthly as did the \$91,700, in actual circulation—about \$8 per capita. A sufficient amount of money in circulation to answer all demands for a medium of exchange, for services and exchange of property. And no taxes, no bonds, and no interest. No burden of debts or taxes on the backs of these people.

"I now pause and will wait for anyone to say why this is not a practical financial system? You can state it where you sit, or stand, or come on this platform."

There was intense silence for a moment, with people turning their heads looking at each other. Then Mr. J. A. Lawrence, of Tahlequah, Oklahoma, arose, and all eyes were turned on him. Mr. Lawrence is one of the prominent men of his state, a cotton broker for many years, a merchant and a banker, now retired and living on a farm, a successful and conservative man. He said:

"You have disclosed a system of finance that requires thought. To test its weakness, its defects, if there be any, one should have time to think about it. If questions to ask, or, criticism to make, to have time to formulate them. I think that would be the sentiment of this audience. There are present many wise men who have come here for pleasure and health, men, probably in all branches of business and the professions, including those whom we call financiers; and I, for one, would like to see your system, which is something new, tested, so far as we can by questions and answers and serious thought. I would therefore suggest that at tomorrow's session of the school

you throw it open to questions and answers, and for anyone who wishes to, to criticise the financial system you offer." And Mr. Lawrence took his seat. There was hand clapping indicating the assent of the audience.

The little teacher approved the suggestion and assented to the request. He then continued:

"There is no such thing as a civilization without money, a medium of exchange of services and property. Suppose all the money in the world were destroyed tonight, no money, no medium of exchange as you entered life tomorrow. There would be no method for buying a newspaper, or medicine, for buying bread or other food, for paying your hotel bills, for paying fare on the railroads, or paying railroad men their wages, for manufacturers to pay wages, or coal miners. Everything would stop suddenly. There would be bread riots in all the cities in the next twenty-four hours."

He paused for a moment to give them time to absorb what he had said, and then continued:

"When you will realize that money, a medium of exchange, is one of the essential parts in the structure of a civilization. There cannot be a civilization without it. It is only by thus having it that the people can divide up into many occupations and employments, be farmers, merchants, manufacturers, school teachers, doctors and members of other trades, transportation, commerce and the arts and sciences.

You may justly compare it to the blood in the human body. There is no such thing as life without blood circulating through the physical system. Blood continuously going out from the heart and returning. So, in the body politic, money is the blood of civilization, and must be so arranged

to make a success of civilization, to be going out, in a normal quantity, continuously, from the heart of the 'body politic' and returning to and through the heart as does the blood in the physical body. A bank is the heart in the 'body politic.'

"This civilization of which you are a part has been groping forward, seeking knowledge, for 6,000 years, and it is only in the last 500 years that the world is known to be round, that printing has been discovered, that it became known that the blood flows through the human system, out from the heart and back again to the heart, and only in the last 100 or 200 years have the many discoveries been made that make for the convenience and comfort of the human race; and it only remains for you to discover and adopt a perfect financial system, with the universal teaching of character, to have a civilization that will go forward in the discovery of those things affecting human life, that will result in wonderful discoveries that will surprise you as have wonderful discoveries in material things that have been recently made, that, was not thought possible until after they were made.

"Remember, as you come here tomorrow, that there is no such thing as a civilization without money, a medium of exchange; and there is no such thing as a perfect civilization without a perfect financial system; and that money is the blood of civilization, and must be regulated to flow in and out of the heart of the 'body politic.' Remember this when you have taken your seats here tomorrow.

"One thing to connect up with the financial and character building systems that I have given you is to tell you that the Island citizens, by majority vote, made it a part of their organic government

that there should be no law for the collection of voluntary debts. Involuntary debts, torts or injuries, were left for adjustment of liability and settlement. Thereafter it was to be a cash system of business and all voluntary debts to be debts of honor. A system was adopted that practically eliminated lawyers, crime was reduced to an infinitesimal minimum, and what there was, would be accounted for by heredity, and by eugenics would be finally entirely eliminated. A cash system of dealing and all voluntary debts, debts of honor, gave strength and impetus to character building. You may consider this in your questions and criticisms of tomorrow.

"I have used gold money, with silver for small change as the medium of exchange for the Island, as gold is regarded, now, by the most conservative of the best money, and I wished as we settled this most important subject, government without taxation, to remove all skepticism as to the soundness of the money adopted. I do not mean that it is the most scientific money.

There were other things provided for to produce that financial system, as it developed, that in itself, your questions will uncover."

With an action, indicated by his right hand and position of the body that was graceful and a measure of his personal impressiveness, often aided by his gestures, the silver bell sounding from his left hand, the school for the next day.

The impression made on the audience was great. There was applause as he closed by many, a momentary silence. Such a revelation as this needs careful thought, profound, scrupulous thought. A government without taxation is a revelation and other revelations in con-

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nection therewith meant the birth of a new civilization. Was it possible? It seemed sound, logical, and practical to many, but was it? He had merely stated the skeleton or frame work of a civilization, giving figures, which many grasped, but many others had not. Tomorrow's session assumed vast importance when many minds would bear upon the subject; probably, as many thought, exposing and tearing it to pieces, showing its fallacy. Among the summer guests and tourists were men of wisdom who had come a great distance to Monte Ne on account of a Pyramid or Obelisk under construction there as a warning of the danger imperiling civilization. So, tomorrow's meeting would focus the minds of many able men on the scroll of thought that had been unrolled by the little prophet.

As the audience dispersed, it became the subject of conversation of hundreds of persons. Many had remained to copy the figures on the blackboard. On the lawn of the Club House Hotel, that evening, a meeting assembled with Mr. W. B. Yeary, of Dallas, Texas, manager of a cotton growers' association, as chairman. The object of the meeting was to discuss the subject of that day, awaken thought and purpose for a thorough analysis, criticism and testing of this new plan of government at the next session of the "School." Many bankers and financiers were present.

As the meeting was assembling there were introductions, hand shaking and salutations, with some hilarity, with a few slapping others on the back, one saying, "A government without taxation, think of it, glory, glory, hallelujah," and other expressions of similar anticipated pleasure.

Mr. Yearly in opening the meeting recounted the history of finance, biblically, formerly in ancient and modern times and more recently in the United States, always patching, trying and expecting to perfect it and never doing so. Perfection and improvement coming in nearly all things except a Monetary System that would work out satisfactorily. And now all the world was in chaos. "From somewhere, from some source, the right plan ought to come—and when it did come it would," he believed, "be simple and easily understood by all."

The meeting lasted until late bedtime, many discussing it and many quietly listening, but formulating in their own minds what they would say or suggest to come to light in the next day's session of the school, when the "showdown" would come.



CHAPTER IV

THE FOURTH DAY

On the fourth day as the hour approached for the opening of the school, the crowd in and about the pavilion grew in size until it was greater than on the third day. Seats had been taken or were being reserved for those who expected to take part in that day's "School." Newspaper reporters had arrived from St. Louis, Kansas City, Ft. Smith and Little Rock and were seen sitting at a table to the side of the platform.

All was in hushed anticipation as Paul, the little Wisconsin, came on the platform—a platform on which a scene was to be enacted upon which the fate of the world hung. If he could make good it would mean untold blessings to the human race, peace, prosperity and happiness to untold millions of people. If he failed under the hammer and blows of brilliant logic and cross-examination it would mean the crushing of the hopes of many in the multitude gathered. This was the feeling as he began. He bowed, saluted, and for a minute stood viewing the audience. And then:

"Before throwing open the school," he said, "to all my race in the audience to take part, I wish to make a statement.

As the Island government progressed, in a short time, there was formulated, discussed, submitted to the people and unanimously adopted the plan of printing paper bills of one, two, five, ten and twenty dollars, to the amount of \$100,000, re-

deemable in gold money. This for convenience in handling the currency. No more than that could be issued without the majority vote, in a government that was to be a democracy." (Applause from part of the audience.) "That amount, for the present, was all that was deemed necessary."

"The treasury department was now located in the capitol building, and over the front entrance of the bank was a large red stone the shape of a heart and over it in letters 'The Heart of the State Politic'." (Applause.) "In a concrete, reinforced steel vault, in the large room, were two compartments. In one, under a time lock which could be opened only once each month, was \$300,000 in ten and twenty dollar gold pieces, in stacks of thirty pieces each, \$500 in each stack of tens and \$1,000 in each stack of twenties. The 200 stacks of tens make \$100,000, the 200 stacks of twenties \$200,000—in all \$300,000. To count the pieces in one stack of each, see that all the stacks of each were the same height and then count the 400 stacks was the work of only a few minutes. This was done once each month when the time lock permitted, by the five members composing the administration and witnessed by five other men selected by lot from the names of 100 prominent citizens of the colony."

"The other \$100,000 of metallic money and the paper money, all and more than enough for the business of the colony, was kept in the other compartment of the vault where there could be daily access. It, too, was counted and audited by the ten men, once each month. With coin in stacks and paper bills of even denominations, it too was only the matter of a few minutes."

"As the work began to approach completion—the roads and school houses, all necessary for the present, a large and commodious market house, a

IF THE reader says, "deposits in gold," the answer is: With wealth limited to \$50,000, the surplus going to the common good—the government—the bank, credits the surplus to the Common Good account. If the deposits of A is \$30,000 and his other wealth is \$30,000 then \$10,000 goes to the Common Good account. When he is worth \$50,000 his head hits the ceiling of prosperity and he gives way for others. He cannot loan his money and he naturally keeps his home and other property that is useful to him, and his contribution to the Common Good comes out of his deposit account. This will be constantly feeding the Treasury, helping to pay public expense—limiting the total of deposits and giving all an opportunity to be worth \$50,000—a home and happiness, hope in the breasts of all; no paupers and no crimes. If it is said the gold will be hidden or exported, then read Chapters VI. and VII. The limit of 100 acres is subject to the same conditions, and if one is worth \$50,000 he may only own a few acres or a lot. If he wants a farm, 100 acres or less, worth \$50,000, he must eliminate other wealth.

ground that had been reserved for it in the center of their city, was built; and work was started on electric car lines on all roads in and out of the city." (Applause.) "The number who could be thus employed had decreased, and continued to decrease, because of prosperity and a desire to own a farm or to go in other business, but there was always work on public improvements for those who were unemployed, or who worked part of the time at home and part of the time on public construction work." (Applause.) "And, remember, there were no taxes, no public debt. All business done on a cash basis, with few debts of honor of temporary duration." (Applause.)

"Later, by majority vote, wealth to be owned by any one was limited to the value of \$50,000; all excess to be forfeited to the government, the individual selecting that which he would keep. No corporations to be permitted. No partnerships to own property in common of more than \$200,000 in valuation." (Applause.)

"I am now ready to recognize any one who wishes to be heard."

For a moment there was silence, then, as several stood up each holding up his hand, Mr. William Moe, of Plentywood, Montana, was recognized. He said:

"I have for several years made a study of the subjects here discussed and have been county superintendent of schools in my county. I want to start this discussion on the part of the audience by saying that I have not adequate language to express an appropriate appreciation for what you have said, and it all, link by link, makes a strong chain that cannot be broken. And one of the strongest links in the chain, that gives vitality and strength to all other links is your system of char-

acter teaching." Mr. Moe resumed his seat with applause coming from about one-half of the audience. The others no doubt thinking it was too early for applause, until the opposition was heard from, and then, and only then, to form an opinion.

The next to be recognized was Mr. Finis Miller, cashier of the Farmers State Bank of Rogers, Arkansas. He had risen and was standing in the center aisle. A duplex amplifier had been obtained and was being set to the side of each speaker so as to carry the voice in all directions, in order that all in the audience and outside the pavillion could hear distinctly. The amplifier for the little teacher remained on the platform. One of the committee of arrangements, beginning with Mr. Miller, secured and announced the name, place of residence and vocation of each speaker. The announcement that Mr. Miller was a banker, a financier, brought perfect silence and attention. The opposition was going to be heard from. As he proceeded with questions and statements, the impression became general that he had been selected by financiers in attendance as their spokesman. He held in his hand memoranda on a sheet of paper.

He began, addressing the little prophet: "You have given us the form of government on an Island the size of South Carolina, but we take it that you mean it as a type of government for a nation, and that we are to so consider it, with adaptation, slight changes, in form, to adapt it to a nation, say, the United States. You provide a single bank to be owned by the government, with necessary branches, to be established, as population increases and additional territory is acquired, as, for convenience of the people there would be needed at least one bank in each county, or, if you

for each 12,000 population. You start with \$400,000 nearly all gold in the bank, and a population of 12,000 people. You base your financial system on gold, which is good. With \$400,000 and a population of 12,000 people you have per capita thirty-three and one-third dollars. There are one billion six hundred million people in the world, in all the nations. To supply them with thirty-three and one-third dollars per capita it would require 53 billion 300 million gold dollars. There are, only, about ten billion dollars of gold available for money in the world. Your system would require 53 billion dollars of gold. There is not that much in the world by 43 billion. Hence your system is not adaptable to all the nations. Am I not right? There is no use to propose a system here that fits an Island government that will not fit all the nations of the world. We claim that bank credit, for a medium of exchange, must be added to the money supply, by an association of individuals, called banks, willing to take the risk of guaranteeing the payment of checks, a risk the government cannot afford to take, and only by this method can a sufficient medium for exchange be supplied." Mr. Miller had concluded but remained standing.

The little statesman had taken his seat, he now arose and replied:

"Your figures are correct, but you have omitted to mention that of the \$400,000 in gold on the Island, less than one-third of it was all that was necessary to keep every one employed with public improvements pushed to the limit; leaving in the treasury additional to reserve, \$180,000 not needed. With \$40,000 in the pockets of the people a liberal allowance for 2,000 families, and \$80,000 reserve held by the bank, and \$91,700 used, flow-

ing in and out the bank semi-monthly leaving \$189,000 not used or needed. Revising your per capita figures of gold necessary and ample, it is \$18 per capita instead of thirty-three and one-third dollars.

"The Island government," he continued, "issued \$100,000 in paper money, redeemable in gold, that thereafter was gladly accepted, to take the place of the \$91,700 used in gold. With \$60,000 of gold reserve behind the \$100,000 in paper money, the Island would have an ample stock of money for 12,000 people. And \$60,000 in gold to support a monetary system on a gold basis with \$100,000 in paper money, for 12,000 people, is \$5 of gold per capita. With one billion six hundred million people in the world and ten billion dollars of gold in the world available for money you have \$6.25 per capita. When the people are on a gold basis they do not care anything about the gold, they seldom see it or care for it." (Applause.) "Paper money suits them best and they know the government is behind it. That is sufficient." (Renewed applause.) "The people of the Island simply brought enough gold with them to know they were well fixed."

"By the statement of the Treasurer of the United States for May 1, 1924, last month," he continued, "there is now in the United States in the treasury and in the banks, 4 billion 417 million dollars in 'gold coin and bullion,' not counting what gold may be in the homes of the people. This is, for the 110 million people in the United States, \$37.35 per capita, and yet with your present financial system there is existing bankruptcy and distress." (Applause.)

"So, we see there is enough gold in the world supplemented with paper money, for a monetary

...but if there were not, you are not dependent on gold for a monetary system. Human beings can find a monetary unit, system, other than gold. Civilization should not be permitted to cease to function on account of gold." (Applause.) "It would be the most helpful, in discussing this subject, that you first confine your comments to the question. Why will not the present system, I have disclosed, eliminate taxes and bonded indebtedness and make a prosperous condition? Let's first stick to that proposition." (Applause.)

"You have illustrated," said Mr. Miller, "with the Island government, \$91,700 going in and out of the bank semi-monthly with what money is in the pockets of the people, paying expense of administration as it passes out and in, rapidly making public improvements and keeping every one busy. We can admit, for it is self-evident, that in that limited environment it may do so, but when applied to a nation like the United States it would not. The bank clearings in the United States show that the business transacted requires a much larger volume of a medium of exchange, proportionately, than your system provides for. And, that extra quantity is furnished with bank credit."

"The larger quantity used as shown in checks passing through your clearing houses that you refer to," replied the little statesman, "is accounted for by your false civilization, that would not be required in a perfected civilization. Take for instance the bank clearings in the city of New York. It is, monthly, one and one-third times as much as all the rest of the United States, with a population of only one to eighteen for the whole

United States. This is because of checks used in gambling in the stock, produce and other exchanges where billions of dollars in checks pass monthly, going through and counted in the clearing house exchanges. The same is true, only smaller, in Chicago and other large cities. Then there are millions of checks passing through the banks in payment of bond coupons, and, in payment of bonds and mortgages and dividends on stocks none of which would exist in a civilization perfected. Then again there is duplication of checks, in the count, as they pass through two or more clearing houses. These are the reasons why the figures you have are so large.

"The civilization adopted on the Island, applied to the United States," he continued, "or any other nation, would put all these gambling or speculative concerns, corporations, and bureaus out of business." (Applause.)

"Why so?" said Mr. Miller.

"Because," was the reply, "all business would be for cash, money or check, no law for the collection of voluntary debts. It would be a cash system. In the market houses in the towns on the Island, you can apply this to a nation, supply and demand would fix prices, and money and checks would be deposited daily in the bank. Delivery of wheat and corn at the mills or produce at other places would be the same way and checks deposited daily at the bank, placed to the credit of the depositor. The money going in and out of the bank daily, and checks being received daily by the bank, charged to one account and credited to another, would be working like shuttles in the loom weaving together the woof and web of cloth—the money and checks, shuttles weaving together the woof and web of a civilization." (Applause.)

...no law for the collection of voluntary
...suppose a check given was not good at the
...asked Mr. Miller.

...payee could require it to be certified by
...or phone the bank to know," replied the
...financier. "But, we are dealing with a civi-
...where character teaching is universal
...hood up. That makes a wonderful dif-
...to the situation we now have. (Applause.)
...did not pay an honorable debt, he would be
...by public sentiment, he would lose in
...which would be damaging to him and
...family. In a prosperous condition such as
...exist, every one employed, there would be
...reason why he could not pay. He may have
...a check, thinking he had that much on de-
...at the bank, when he was mistaken. In that
...he would later make it good. A cash sys-
...with no law for the collection of debts,
...help usher in an honorable citizenship."
...Applause.) "Debt helps to bring despondency
...and makes cowards out of men."

"But," said Mr. Miller, "suppose it is a retail
...merchant ordering by mail a list of merchandise
...from a wholesaler in a distant city, he does not
...know exactly what the wholesale price is on each
...article and does not know how much to make his
...check?"

"He could send a check for most or part of it,"
...was the reply, "relying on his word of honor,
...being taken for the balance, or he could have it
...shipped with draft attached to the bill of lading.
...In such a civilization, settled down to established
...order, we may justly rely on a practice of a whole-
...sale house shipping to its regular customers safely
...confident that the bill will be paid at the time

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agreed on. People doing a strictly cash business with plenty of money in circulation do not need credit. It is the blessing that such a civilization brings as compared with the curse that a debt system brings with it, that is to be considered." (Long applause.)

"There are periods each year," came back Mr. Miller, "when between seasons the merchant is buying a practically full stock of goods, that will cost more than he has money to pay for, must have them to be ready to meet his trade when the season comes on. He now borrows that credit from the banks. What substitute have you for this?"

"Such a merchant," was the reply, "will secure credit from the wholesaler, instead of the bank, paying no interest on the credit, or he will take in associates, one or more, whose combined money will be sufficient, or, he will learn to buy only what he can pay cash for. With continuous prosperity, no panics, no bonds, no taxes, a normal supply of money flowing regularly from the heart of the 'body politic' out and back again, everybody employed for themselves or by others, no bank failures, for all the banks are gone that once failed or were liable to fail, a high standard of honor arising, there will be dependable business, and a credit relationship between wholesalers and retailers, with all debts cleaned up within two to four months after a full stock of goods has been laid in."

"What about wholesalers and manufacturers," said Mr. Miller. "You have limited wealth to \$50,000 and partnerships to \$200,000 and no corporations. Large wholesale houses and manufacturers need more than that."

There will be more wholesale houses and less ones like Sears, Roebuck, a monopoly," he replied. "Wholesale houses will be agents of manufacturers, thus collecting, under one roof an assortment of all things which they wish to handle—big city market houses for retailers. There will be no big manufactories monopolizing products in industry, using great capital to do it, or borrowing from the money trust to do it, and making the consumers pay the interest on the borrowed money credit—combining and monopolizing all of a product and forcing consumers to pay an exorbitant price, as they are paying now. (Applause.) There will be smaller numerous manufactories within the \$50,000 to \$100,000 limit, distributed over the country, proportionately closer to the people, with supply and demand fixing prices. Monopolies and trusts will have disappeared. Instead of thousands of wage earners and their families being crowded together in the cities, in narrow streets and alleys and crowded tenement houses, in environments in which it is impossible to raise children in health and mental, physical and moral development, the factories will be numerous and smaller, situated in a healthier environment and employers in more direct contact with and interested in the welfare of their employees. With character teaching in the schools affecting all for the better more or less, civilization will be on its upward progress. Great wealth combined in one man or a few is not necessary." (Long continued applause.)

But the applause that was coming did not come from all of the people. A serious subject was being discussed that must be considered as a whole, and not on the popularity of any one part of it. That was the view the most thoughtful were

taking. Those applauding the little prophet were expressing pleasure at the fitting of each cog in the wheel of success, hopeful that they would all be made to fit.

Mr. Miller was red of face but standing there in the center aisle, his stature and appearance pleasing. He was clear of mind and probing for an opening that would count. He was now smiling, which is one attitude of a thoughtful man when at his best.

"What about the farmers," said Mr. Miller, "between seasons, planting time of the new crop approaching, he is out of money, none at home and none in the bank. He then needs to borrow. You are eliminating money lending. How is he to be helped?"

"With no debts or taxes, no bonds or interest payments draining him," was the reply, "he will probably have saved enough money from his crop to tide him over until the next crop is going on the market. Then, from eggs, chickens, butter and many other things he produces that are always coming on, and from his grainery where part of his last season's crop is stored, he can have a continuous income. And then there will be public works where he and his sons can get employment, cash every two weeks. With the new order of things the farmer will be more thrifty, hopeful and encouraged, an independent prosperous citizen. As it is now you are draining him with taxes, payment of interest on public bonds and financing trusts that fix the prices low on what the farmers have to sell, and high on what the farmers have to buy." (Applause.) "He is getting the worst of it both coming and going." (Applause.) "Under the new order of things he will be of the

most broad-minded of the world's citizens."
(Continued applause.)

"Suppose," came back Mr. Miller, "a one or two years' drought, with the loss of all crops. What the farmer had is gone, his graineries are empty, with no banks to which he can go to get money or credit. What is to become of him under this situation?"

This in the minds of many was a hard question to answer, and all attention was riveted on the speaker.

He replied, "The concern of one is the concern of all. It would be a cardinal principle of a perfect government. Another would be, 'get money to the people by letting them earn it, giving value received for it.' Such periods as you describe are covering a limited territory, say, at the most, two or three states. As it came the manager of the common good in each county would have his eye on it, and road construction and maintenance and other public work would be started and pushed if necessary to the limit. There would be employment for every one at a compensation that would finance the situation. The one or more government banks in each county, one or more hearts of the 'body politic' pulsating financial blood, would be paying out, say, \$100,000 every fifteen days. Trains loaded with needed merchandise and provisions would be arriving for the merchants, produce dealers and the market houses. The people would have money with which to buy and as the money for it was received from the people by the merchants, produce dealers and market houses, it would be redeposited in the bank, ready to meet the next pay roll, thus performing the cycle from the heart out and back

again." (Long continued applause.) "No money loaned and no one in debt. Everything paid." (Renewed applause.)

"But suppose," said Mr. Miller, when the applause had finally ceased, "that all the roads and other public works had been completed?"

"Roads enough paved and maintained," was the reply, "will always be needed, around each and all the sections of the land." (Continued applause.) "There will always be something to do in building bridges and roads and school houses and beautifying the grounds, also hydro-electric plants; also irrigating ditches." (Applause.) "There is no end to public work in the building of the Temple of Civilization."

"Suppose," said Mr. Miller, "a case of sickness, a whole family taken down, not able to work, or a plague, an epidemic of disease, all able, owning good property, to give security for money borrowed, but no money to loan. What about it?"

"As to a single family or one or two families," was the reply, "scattered here and there through numerous neighborhoods, their neighbors would take care of them. They will do that now in all country neighborhoods, it is only in the cities that, in this respect, this civilization has become extinct.

"As to a plague or epidemic of disease," he continued, "it would become at once a matter of public concern, and nurses, provisions, doctors and medicines would be furnished by the manager of the common good; with the money to pay for it all coming from the heart of the 'body politic.' The money thus paid to the nurses, doctors, druggists, merchants, farmers and others, for the care of the sick, would find its way back to the bank,

the heart of the 'body politic.' A heart ever pulsing to keep money in circulation and civilization functioning healthily and properly. There shall be no debts and the money in a short time shall be in the bank." (Long continued applause.)

Mr. Miller was undaunted, a smile still featuring his face. A clear-headed, popular cashier with the people, a good business man, accurate and reliable. He was not one to be stampeded.

"What about a cement plant?" he asked the philosopher. "I do not know what they cost but I take it that one costs to build and capitalize operation as much as \$500,000, which is above your limit of \$200,000. Cement is now one of the most necessary of products."

"All things," was the reply, "that cost more than the limit permitted are and should be regarded as for the common good and built and operated by the people collectively, the government. Hence there would be built by the government a sufficient number of cement plants to meet the demand for cement, which would be sold to the people for about one-half the price of cement at present. What was used for the common good would cost nothing, as the money used in its making would have performed its service and come back to the bank. What was sold at half the present price to private industry would be profit or would be paid to the dealers for their services in distributing it among the people. One of the biggest industrial trusts we now have is the cement trust keeping cement up at a profiteer's price, thus holding in check improvements that would greatly advance material progress. We have seen that it would require no taxation to build and operate them. The key to a new civilization is to

understand the function of money. When it is understood and applied there will be the dawn of a new civilization."

Mr. Miller, feeling for an opening, and thinking this might give it to him, asked the little prophet to explain what he meant by, "the understanding of the function of money being the key to a new civilization?" "I know," he said, "it was the main subject of the school yesterday; and today you have touched upon it in many ways as applied to particular things, but I would like in a general way to grasp it again and freshen it in my mind."

The little fellow, for a moment said nothing and was looking over the audience, as if not so much for Mr. Miller's benefit, as for all, he would as briefly as possible again explain the function of money. He then began.

"It is hardly necessary for me to explain again how money is a medium of exchange making it possible for the people to divide up into numerous vocations, which they could not do if it were not for them having a medium to exchange their services and property, by selling either service or property for money and with it buying what they need or want. Without money there is no such thing as a civilization. Money therefore has a distinctive value all its own, to be considered apart from all other things of value. And made and directed, in normal quantity, to properly give that life giving function to civilization.

"If hoarded away for a selfish purpose and not permitted to function, used for a purpose other than its proper function, or used to make it difficult to get in the channels of its purpose or hoarded or monopolized for a purpose other than its true purpose, it can retard, embarrass or disorganize and may destroy civilization.

Since, as it is a thing vital to civilization, it should be controlled and put to performing its function by wisdom representing collectively the whole people, an unselfish and wise administration of government.

To do this the system explained, at length, yesterday, should be adopted. And when adopted money will go out from the heart which controls the arteries and veins of the 'body politic,' returning to the heart and continuously flowing in and out of the heart, as does the blood in the human body.

The heart of the 'body politic' should be a bank owned by the people, all of them, the government; and its administration should be by unselfish men of wisdom who understand its true function. To get it out to the people where it will be moving as a medium of exchange in the payment for service or property is the objective. To get it to them by loaning it to them with an interest charge or a payment for the use of it, exacted of the people, is fatal to its healthy and real purpose. To thus put it into use, the making of a profit on it, is a narrow and wrongful conception of its purpose. Its purpose is to set civilization going and keep it going—and that concerns every one.

"As it has an exchangeable value, the method of putting it to work, on its grand mission, is to exchange it for the service and property of the people in a way to set exchanges of services and property moving. The people paying for it with their services or property, gets it to them without any interest, rent or tribute that would start them out in life in debt, acting as a rope around their necks, to afterwards drag them back. A system of putting it in circulation by loaning it to the peo-

ple for interest, is a system of strangulation—destructive of civilization. It is the erection of a guillotine that finally cuts the heads of the people off, industrially. The wise government puts it in circulation, not for a selfish profit, but to make a civilization.

“In the new civilization, under its financial system the money is returning to the bank, daily, on deposit, and is again paid out, going the rounds just as the blood goes round through the human body. The same money, the same blood, going round and round and ever returning and flowing through the heart. This is necessary to make a perfect civilization.

“Money is a creature of government. A thing made only by the government. Nothing is money that is not stamped or coined by the government. All people agree to that. The amount of money necessary to be placed in the heart of the ‘body politic’,” he turned and was looking down at the floor as if a lifeless body or corpse lay there, “and bring it to life and animation,” he was now looking at the audience, “may be put there by the government making it and placing it there; or, it may be placed there by the people who have set up the government. The government is theirs and they want to see it function. So, we will say, at the time the government is being organized, the people having in their possession the necessary amount of money, they come forward and place it in a bank, to be known as the Heart of their government. The amounts each deposits is credited to him on the books of the bank and on a pass book handed to him. Now each has a right to check on his balance, and as a rule the check given is deposited and credited to the one depositing it and charged, of course, to the one giving the

This results in the bulk of the money, all of it, remaining in the bank.

We illustrated this yesterday, with a bank representing 12,000 people, with \$400,000 deposited.

The bank representing these 12,000 people, has a semi-monthly pay roll of 2500 people working on streets, roads, and building school houses, amounting to meet the semi-monthly pay roll \$91,000.

Those to whom this money was paid immediately began spending it at stores, with farmers for produce, or at the mill for flour, with the doctor or otherwise and those to whom it was paid bought what they wanted, and in the following few days it was practically all deposited back in the bank. Those receiving it at the pay day, who had nothing and wanted to buy nothing, took it to the bank and deposited it to their accounts. So the money had performed its service making many exchanges and was back in the bank ready for the next pay day. You may compare it to tools handed out to do work and when the work is done the tools are returned—the money handed out has made the exchanges, done its work, and then returned. And is ready to do the same thing again.

I will draw here on the blackboard a cycle and show you how money circulates." With a string, he placed his thumb on one end of it against the blackboard, and with a piece of chalk in his other hand holding the other end of the string, the string stretched tight, he quickly made a circle with the chalk. At the top of the circle with deft like quickness he made the outline of a bank. Then round the circle at equal distances A. B. C. D. E. F. G. H.

"We will now trace the average twenty dollars, we will say of the pay roll money." With a stick pointing to the circle on the blackboard, he continued:

"We will begin with A. who received the twenty dollars. He paid five dollars of it to B. a merchant, for groceries, it was in B's deposit next day at the bank with the money he had received from others. To C. a dry goods merchant, he paid four dollars for towels, sheets and other things. That four dollars was in C's deposit the next day at the bank. At a shoe store he paid D. three dollars for shoes, that was in D's deposit the next day at the bank. He met E. a farmer, on the street and gave the farmer eight dollars to bring to him the next day potatoes and other vegetables mentioned. The eight dollars was in the farmer's next deposit at the bank. The remaining five dollars in the next week was spent for things needed with F. G. and H. And we will say that within ten days it was all or most of it, back in the bank, in time all of it has passed in and again out of the bank.

"One five dollar bill may pay ten debts or make ten purchases in the course of a week, and at the end of a week be paid to the man who first spent it. Hence during the week it has made ten exchanges of services or property and is now back in the hands of the first man who used it. This is what money does in performing exchanges, making a civilization possible.

"The money the bank puts out goes round the circle making exchanges as did the man's five dollar bill, and then comes back to the bank. On its trip round, the money is making exchanges and when back to the bank is ready and just as good to go out again and perform the same service.

"So we see how the bank, in a government of 12,000 people, on an island where they could make their own government, fixing it so there could be only the one bank and with \$400,000 deposited in

...use \$91,700, of it each semi-monthly pay
...making public improvements and paying
...of administration, management, of their
...ment, and have the money back in the bank
...to meet the next pay day. With no
...necessary. With part of their other
...in the bank used to conduct their private
...and industries. Of the 4,000 adults on
...land, 2500 are spending enough money to
...their civilization function. And of what was
...used in private business, it too, was go-
...and out of the bank.

This system of government can be applied to
...ation. You can apply it here in the United
...with say, averaging, one bank to each
...people. No other banks permitted. The
...will gladly deposit their money in it. It
...teens the people exemption from taxes, a
...um of public officials, a democracy purified
...an educational system that will make it grow
...ger and stronger—with civilization perfected
...imate end.

"I want you to have ample opportunity," he
...ded, "to further test out here by questions
...criticisms the form of government proposed
...the emancipation of the people of the world.
...do not think you have yet had sufficient oppor-
...ty to ask questions and to probe it further
...the satisfaction of many of you, and we will now
...adjourned until 10 o'clock tomorrow morn-
... when the School will again be turned over to
... I will be ready to hear you again in the
...ning, Mr. Miller." And with this his little
...and tapped the silver bell on the table beside
... The school for the day was over.

His concluding statement had been listened to
... intense silence by the more than 3,000 people

who had heard him. There had been moments when there was long continued applause but in the closing ten minutes they had been listening to the science of it all—a rounding up of what had previously been said—marvelous in its meaning and wonderful the deductions that could be made from it. Its effect on all was similar to placing a telescope to the eyes of each; and all, at once, looking at a planet that was drawn so close people could be seen walking on it. It was no time for applause, or to speak to one another. Amazement, something startling was in the mind's eye.

An opportunity had been offered to wise men present, with a full day's notice of what the plan of the new civilization was and a time given them to point out its falacy and they had only by their opposition made it look the stronger.

But in thirty minutes all were back on earth with their minds relaxed. That evening at the Club House Hotel, on the lawn, sitting in chairs, separated into groups, conferences were in session.

One of these conferences was made up of bankers and other financiers, another, wholesale merchants, another farmers and another an assortment of business men. Among the financiers several had made memoranda they were discussing. At bed time they went to their rooms wondering and thinking "where the weak spot was in the blame thing." One had said to Mr. Miller, "Couldn't you come back at him and answer any of those replies he made." Mr. Miller replied, "Go to it gentlemen it is your chance tomorrow."

In the business men's conference, Ed Lone, a cement dealer of Rogers, Ark., was heard to say, "He got my goat on that reply he made about cement. One of the strongest and tightest trusts there is, is the cement trust. His plan will knock

all the trusts of all kind in the United States. They can all kiss themselves good bye if that plan of government gets to working."

At the wholesale merchant's conference the general sentiment was that they would like to see the little philosopher's plan work out if only to bring the guillotine down on the Meat Packers that has now gone into the wholesale distribution of many things. Mr. Olsen, a wholesale merchant of Pittsburg, Kansas, said, "Under his plan a wholesaler can become the agent of manufacturers, carrying a line of each of their stocks, without conflict with that \$50,000 or \$200,000 limit on wealth, and that suits me."

Among the farmers they all felt like hugging each other. Mr. F. Erb, Jr., of Riley, Wisconsin, said, "It means the end of trusts, including the meat trust, and that solves the whole problem." "It does more than that," said Mr. W. P. Heavner of Mansfield, Arkansas, "it means a new organization, that has been the hope of mankind."

Of all who had heard the little prophet, statesman and philosopher, on that memorable day, none could not have kept any of them away the next day. What would be developed, what would happen tomorrow was yet to be learned.

CHAPTER V

THE FIFTH DAY

The crowd in and about the pavilion was somewhat larger than on the previous day and all round the outer edge of those outside the pavillion, were automobiles with their passengers comfortably seated. The amplifiers carrying the voices of speakers from within rendered service so perfect that all could distinctly hear every word spoken.

The little teacher was prompt and at his sounding the silver bell on the table on the platform, all gave attention.

Mr. Henry Holmes, a business man of San Antonio, Texas, was the first person recognized by the little speaker.

"If you can satisfy me that the people will deposit their money in the bank you provide for in your plan, I am with you heart and soul. My argument, then, would be that it is self-evident that your plan would work." The statement was in the nature of a question.

The little financier replied, "There are now upward of 30,000 banks in the United States. With 100 million people in the United States this is one bank to each 3,666 people. With one bank to each 12,000 people, it would be 9,166 banks, less than one third the number of banks there are now. There is every reason to believe that the people would deposit in a bank that collectively belonged to all of them, as readily as they would in the

banks we have now. And more readily, realizing that the banks they would then have would be banks that would never fail, no danger of losing their deposits, while of the banks we now have many do fail. Millions of dollars are lost annually in banks that close their doors. Not one dollar would be lost deposited in the banks of this new civilization. Each citizen would realize the value of this banking system, that it was co-operative—building all the roads and public buildings, paying the cost of administration of government, providing free schools, in the primary grades, for all, and financing without cost, the actual building of the Temple of Civilization, without taxes or bonds. Realizing all this they would take great pride in depositing their money in the bank, in their district, except reasonably small amounts of pocket money. And you must consider there will be no other banks in which the people can deposit. Some, working for others and not yet able to save up any money would spend what was received at pay days, but through those with whom they spent it, it would soon find its way to the bank. Considering the safety of these banks as against the lack of safety of banks now, and the great value to the people of the new system of banking there would be more money deposited with the banks under the new system than is deposited with them now."

Mr. Holmes, again rising said, "Your answer is satisfactory, but I would now ask another question. You have given us a mental picture of the government on the Island where there were 12,000 people and \$400,000 in their bank. If under this same system, applied to the United States, there were 9,166 banks, one to each 12,000 people, and the money there is now in this nation deposited in them, how much would that mean to each bank?"

This was an important question. Intense attention awaited the answer.

"I will first give you," was the reply, "the amount of money in the United States as given by the Treasurer of the United States in his statement of the first day of last month." Taking it, he spoke from a portfolio on the table.

"It is as follows," placing it on the blackboard he called the figures off:

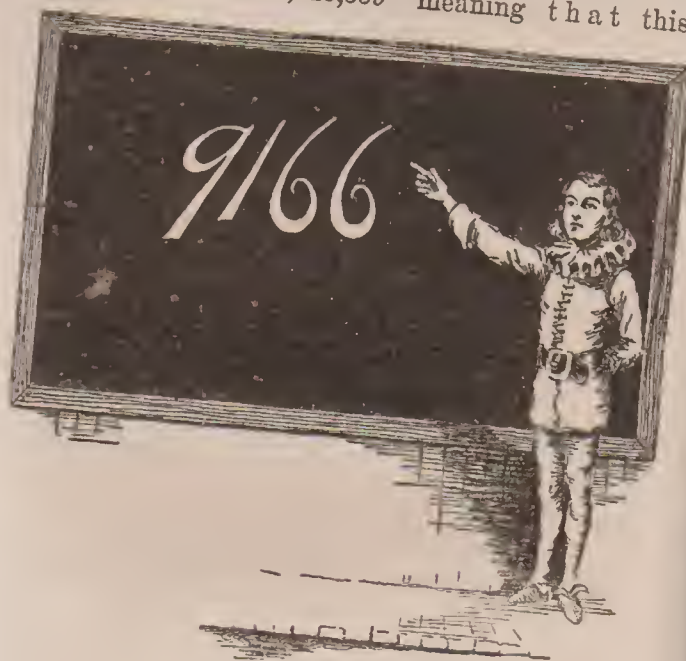
Kind of Money	Stock of Money.
Gold coin and bullion.....	\$4,417,401,937
Gold Certificates.....	(1,140,199,279)
Standard silver dollars.....	501,919,769
Silver Certificates.....	(406,898,667)
Treasury Notes of 1890.....	(1,428,026)
Subsidiary Silver.....	277,510,375
United States Notes.....	346,681,016
Federal Reserve Notes.....	2,444,073,880
Federal Reserve Bank Notes.....	11,581,170
National Bank Notes.....	777,406,992
Total May 1, 1924.....	<u>\$8,776,575,139</u>

"The true total of the above figures is \$10,325,000,000. But he does not count those in brackets, as gold and silver of those amounts are held in the treasury against these certificates and notes, and he counts them out, as follows:

Gold Certificates.....	\$1,140,199,279
Silver Certificates.....	406,898,667
Treasury notes of 1890.....	1,428,026
In all.....	<u>\$1,548,525,972</u>
Leaving the total he gives.....	<u>\$8,776,575,139</u>

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"So, we accept his figures that the total stock of money in the United States is 8 billion, 776 million, 575 thousand, 139 dollars. In another column he gives the amount in the Treasury and in the vaults of the Federal Reserve Banks; and then says 'in circulation \$4,760,113,559' meaning that this



amount is in the other banks and in the tills and pockets of the people.

"But from this statement, what concerns us now, is the total stock of money in the United States which enables us to get officially, an answer to your question, which is: 'With 9,166 banks in the United States, one to each 12,000 population, and allowing 10 per cent of the money to be in the pockets of the people, the remainder deposited in the 9,166 banks, what would the average amount be per bank?'

"We see," he continued, "the total stock of money in the United States," placing the figures on the blackboard, "is,".....\$8,776,575,139
 Deduct 10% as in the pockets of
 the people..... 877,657,513
 Deposited in the banks.....\$7,898,917,626
 Now," he said, "to divide this between 9,166 banks you get the result," and he immediately made the calculation by long division on the blackboard as follows:

$$\begin{array}{r}
 7,898,917,626 \div 9,166 = 861,762 \\
 \underline{7,332,5} \\
 566 \\
 \underline{549,76} \\
 16,147 \\
 \underline{9,166} \\
 6,4916 \\
 \underline{6,4262} \\
 57,342 \\
 \underline{5,4446} \\
 23,466 \\
 \underline{28,332} \\
 5,134
 \end{array}$$

"I will confirm that," he said, "by multiplying \$861,762, the sum that would be in each bank, by 9,166 the number of banks you would have," and then he put on the blackboard these figures:

"I have not carried the fraction of a dollar forward in the figures which to be exact was \$861,762 and about seven-ninths of a dollar.

"The result," he concluded, "is \$861,762 in each of the 9,166 banks, each bank representing 12,000 people." (Applause.) "In the Island bank we had \$400,000. In each of the 9,166 banks of the United States you would have \$861,762, double the

amount of money on the Island." (Continued applause.) All saw the pertinency and relevancy of these figures, what this sum could do used properly, more than sufficient, in each division of 12,000 people.

The next person to be recognized was Mr. John Ellmaker, a farmer living near Monte Ne, formerly of Iowa. He said:

"Your whole plan of a new civilization is interesting, attractively interesting, but it hinges, depends, largely on your plan of financing it; and I would like to get clearer in my mind how your bank can without any capital stock or profit from any source maintain itself. Say, on your Island government, you pay the salaries of \$3,000 each to the president, treasurer and a general manager, \$9,000 yearly, and also pay their employees. Will not this in time exhaust the money in the bank? And are you not paying it out of money that does not belong to the government, but belongs to the depositors?

"You do not," was the reply, "grasp, as yet, the principle of this bank. It is a great co-operative proposition—a co-operative bank, established at a mass meeting of the 4,000 adults on the Island, who would be the depositors of the bank and the ones to be benefitted by it. Their deposits of \$400,000 is the capital of the bank, with permission to each depositor to check on his deposits. All new depositors to take the same relation to the bank. It means their consent to use a certain percentage of the money in the bank belonging to the depositors, say 20%, \$80,000 of the \$400,000, to pay the cost of the administration of government and for public improvements, every fifteen days,

...ing as they do that after the money is used by those receiving it, they buying what they may need, it will come back to the bank either to their credit in deposits by them or to the credit of the bank, who, are, all, co-operative members of the bank. The money paid them has performed its service as a medium of exchange and comes back to the bank. The salaries have been paid and the bank has as much money as it ever had, less the temporary absence of what is in a like manner going out to return again. It is the service the money performs, that counts, in making exchanges of services and property, which it does when passing from hand to hand and then comes back to the co-operative bank ready to be used again to perform like service.

"You say in your question," "are you not paying out money that does not belong to the government?" "Are not the banks now paying out money that does not belong to them, but belongs to their depositors? Knowing that it will come back." (Applause.) "They have not the consent of their depositors, except the law gives them the right to do so. In the case of the co-operative bank, under the new civilization, the consent of all depositors is given, knowing that the money will come back. It will be their law, governing the bank.

"Again," he continued, "let us illustrate it this way. At a warehouse, for the moment we will call it a bank, there are stored picks and shovels. Ten each of them are loaned to a man, without charge, for him and his employees to use for ten days, they using them and returning them; they do the work intended and are returned. They are then loaned to another man for like work, used and returned. This is similar to paying the money out

to do work, which when used is returned, repeatedly paid out and returned as in the case of the picks and shovels. Picks and shovels wear out; so does the money wear out and some of it is lost by floods and fires. The gold is replaced by miners in the mountains and the lost or destroyed paper money by reprinting. Thus a normal supply can be kept. Are you now satisfied?" asked the little fellow of Mr. Ellmaker.

"I will say that any thing conducted as a business," said Mr. Ellmaker, "must have a profit, but since you have provided for all business conducted by individuals within the limit of \$50,000 may be so conducted; and that the bank is not conducted for profit, I see wherein you are practical and right. I am strengthened in this belief by the wisdom we get from Christ and the Bible, saying that no nation can endure that is founded on Usury, the loaning of money for interest. And all nations thus conducted have fallen. I am now satisfied your plan will work, freeing us from Usury, the loaning of money for interest, establishing a prosperous civilization." (Applause.)

The next one recognized was Mr. James L. Wallace of Missoula, Montana. It was announced that he was an attorney. He said:

"I have no objection to your plan of a new civilization that practically eliminates lawyers. No one should wish to defend a civilization in which his business or profession depends for profit on foreclosing mortgages, crime or other distress of the people." (Applause.) "Your plan working out as it seems it would, I can very readily see how a simple judicial system could be established in each county or district of 12,000 people where damages for injuries or other torts could be satis-

adjusted; and in an era of character, wealth limited, and general prosperity the people, cultivating neighborly fellowship and good mindedness, I can see where if one borrowed another's car with his automobile by his driving which would be an involuntary obligation for which he would be liable, he would probably, voluntarily adjust and settle the matter. Or, if he did any other wrong for which he was at fault, he could settle it voluntarily, but if not it would be a matter of settlement at law. In a prosperous people, all, would be more fair and liberal. You have eliminated all voluntary suits from the multitudinous litigation now absorbing the attention of our courts; and your system of civilization will, I believe, ultimately eliminate crimes, leaving little use for courts. As it is now, the number of judges is being increased, and in the supreme courts doubled in the number of judges, piling up cost on the litigants and taxation on the people. You leave only the settlement of suits and a system of finance that takes care of the nation to support your system of government and as one of the profession of the law I heartily commend your plan.

But, what I have risen for," he continued, "is to give your reply to this question: With the deposits of idle money in the banks, under your system used to build roads and all other public improvements and cost of government, returning to the banks and used again and again—there would be proof that you are right, that it would do what you claim—provided you can show that the money being deposited in the banks has been used, is being used to make a profit for and enrich individuals to an amount equal to the sum that would be spent, under your system, in the making of all

public improvements and the cost of government." (Applause and cries from some, "that is the question, lets hear from it?") "If you can answer that question, in the affirmative, satisfactorily," concluded Mr. Wallace, "it will be sufficient proof, conclusive proof, that you are right, that a government can be conducted without taxation, with public improvements made and a prosperous and happy people."

There was intense silence with all eyes fixed on the little speaker on the platform.

"The people not understanding the vital relation of money to civilization," began the little philosopher, "grew into the habit of looking on it as they did any other property—that they had a right to rent it out, loan it with a charge for the use of it—and this led to many seeing how they could thus use it to their personal advantage. It became very profitable to this class of people, giving them wealth and influence; and they finally secured a policy on the part of governments of putting all money into circulation by loaning it to the people, the people to get it by borrowing it, thereby incurring a debt.

"This policy," he continued, "was first adopted, in modern history, in England in 1694 by establishing the Bank of England, owned by private individuals, incorporated. It grew out of a loan to the government of 1,200,000 pounds of gold money, the government at the time being in great distress for money needed in the public service. Nearly all the money, gold and silver coins being the only medium of exchange recognized as money, was being hoarded by the money lenders, and civilization was in distress for the want of it. This gave the lenders of money the influence to get what they

which was the legal right to conduct a bank
 would become the bank of deposit of the peo-

In the United States your forefathers sensing
 the importance of getting money to the people,
 provided for mints to coin free of charge
 gold and silver coming to the mints, into coins,
 encouraging the finding of gold and silver
 miners in the mountains, the mints coining it
 money and handing it back to those who
 brought it to the mints. The important purpose
 was to get money into circulation that civilization
 might function. Those finding gold and silver
 getting it coined at the mint free of charge,
 spending it for what they wanted and thus it
 was going into circulation, helping civilization to
 function without borrowing or incurring debt. But
 money lending was becoming a practice in this
 country and many had accumulated fortunes at it,
 losing in time most of the money. Then in 1861
 came the Civil War and the government being hard
 pressed for money to pay and provide for the
 soldiers, a proposition was submitted to the gov-
 ernment by the money lenders to let the govern-
 ment have the money, conditional that they as in-
 dividuals or as private corporations were granted
 a banking system. Education on the money sub-
 ject at that time being crude and the government
 not knowing as yet how else it could finance the
 war, granted the conditions imposed and thus
 came a general banking system in this country
 owned by individuals and private corporations.
 In the meantime beginning with the Bank of Eng-
 land the same system of banking was turned over
 exclusively to private owned banks in all the na-
 tions of the world. This includes the Federal
 Reserve Banks in this country which many people

have been led to believe belong to the government. They are specially organized banks belonging to the other banks. So, now, the world over, there are no other banks than those owned by individuals, private or incorporated, functioning for their own profit."

The little fellow had been giving history, we may say undisputed history, facts recognized by everyone. He had not yet begun to answer the question, but the information he was giving was of value to the young people to show how the world had drifted, financially, in the way of getting money to the people.

"So," he continued, "all the banks you now have are owned by private individuals. They are studying banking for profit. They are not students of the common good, except as it may fit and not interfere with their banking business. And their business is the loaning of money. Hence they are in favor of putting all money in circulation by loaning it. There are no other banks at which you can deposit your money.

"Banks may be considered a necessity," he continued, "they are supposed to furnish a safe place for one keeping one's money; and they are a convenience of great importance in commerce. People can pay bills by checks on the bank more conveniently than they can carry the money around with them. To pay all bills in money would necessitate at all times having change with you, fractional silver coins. On receiving checks from others on distant banks, maybe a thousand miles away, you can deposit them in a bank to your credit and the bank has a system of collecting. If your money is kept at home there is danger of its loss by fire or in other ways. So, notwithstanding

the risk people run from bank failures, as a general rule they deposit all money, except small amounts, in the banks. Such has been the practice.

"In the United States," he continued, "By the National Treasurer's report of the first day of the month there was deposited in the banks of the United States \$6,149,820,172. The Treasurer reports \$2,239,207,285, held in the treasury and Federal Reserve Banks and agents,' which is subject to their order, without interest and exempt from taxation. So, all the banks have on deposit or at their command \$8,389,027,457. There is that much in the United States on deposit in the banks or subject to their use. We will say eight billion dollars as an even amount to remember. And they have the United States government largely in debt to them.

"We can readily see what could be done with the eight billion dollars, if it were deposited in the 9,166 banks, with an average of \$800,000 in each bank serving an average of 12,000 people. We have already illustrated this with \$400,000 in each bank—what it would do.

"Now let us see what has been the result with managing this money on the system of getting it to the people through loans. And who is benefited? and how much?

"The system has been to put money in circulation by loaning it. We have as a result the country covered with debts, represented by bonds, loan certificates, mortgages, trust deeds and notes, all bearing interest mostly payable, the interest, quarterly or semi-annually. As accurate a statement, probably, as can be made, is as follows;" and he walked to the blackboard and as he called them out put down the following—

It does not include commercial, or, current debts. It is a summary of only long time interest bearing debts and notes due banks.

"Any duplication," he continued, "that may be in this statement will be negligible and much more than offset by interest bearing debts not included. I have stated each in even billions but in whole they are correct and investigation will show that the statement is conservative—that there are now as much as 110 billion dollars of interest bearing debts in the United States.

To get at the fair cash value of all the property, real and personal, in the United States," he continued, "I refer you to page 118 of a publication of the Bureau of The Census, entitled 'Financial Statistics of States 1919.' For forty five states, the total assessed value of all real and personal property is \$83,202,153,672. For each state the per cent of assessed value to true value is given and ranges from 15% to 100%, resulting in an estimate of true value of all taxable property in forty-five states at \$138,115,575,095—an average of \$3,069,235,000 per state. The three states omitted in this statement are California, Delaware and Pennsylvania. Adding 12 billion, an average of 4 billion for each of the three states, we have in round figures the total sum of 150 billion dollars. It is not stated that any notes, mortgages, or, bonds are included in the valuation of personal property. So, we will say there are none such in this official statement and accept the full valuation of 150 billion dollars for all assessable real and personal property, other than debts, in the year 1919. Property is not now valued as high as it was in 1919, but for the present purpose, we will say that it is.

"So, we have," he continued, "as the present situation in the United States, 110 billions of dollars in interest bearing debts, with real and personal, assessable, property of the fair cash value of 150 billion dollars. Not what it is assessed at, but its true value, 150 billion dollars. The debts are a little more than two-thirds the value of the real and personal property. This statement does not include annual taxes of the nation, states, municipalities and other civil sub-divisions amounting annually to about 7 billion dollars. Nor does it include the annual interest payments on the 110 billion dollars of debts, totaling about another 7 billion dollars.

DEBTS OF THE WORLD

"Any estimate," he continued, "of the interest bearing debts of the world must be a mere estimate, but something approaching what it is may be approximated.

"The National debts of the nations late at war are now being given by the press and magazine writers and we get a very fair idea of what they are in part of them.

"A press dispatch from Berlin gives the national debt of Germany, based on a budget estimate, at.....	\$ 51,000,000,000
"A statistician writer in the Saturday Evening Post of a late issue gives the national debt of Great Britain at.....	36,000,000,000
"He gives that of France at.....	36,000,000,000
"That of Italy at.....	12,600,000,000
<hr/>	
"For the four nations given the national debts total.....	\$135,600,000,000

We have seen that the interest bearing national debt of the United States is \$25,000,000,000, which is about one-fourth the total interest bearing debts of all kind in the United States. If this same proportion holds true, and it probably will, for Germany, Great Britain, France and Italy, then the total interest bearing debts of all kinds, in these four nations is approximately\$540,000,000,000

The same writer puts the wealth of these four nations as follows:

Great Britain.....	120,000,000,000
France, before the war (it must be less now).....	62,000,000,000
The German Empire, before the war.....	80,000,000,000
Italy, before the war.....	25,000,000,000

“Total wealth.....\$287,000,000,000

“By this estimate, and it cannot be far wrong, the total interest bearing debts in these four nations are \$253,000,000,000 more than their total wealth. With this true of Great Britain, Germany, France, and Italy, taken as a whole, the addition of Austria-Hungary, Russia, Turkey, Belgium, Roumania and the other smaller nations engaged in the war, must be about similar.

“As to the balance of the world there is no data to go on, except we know that usury has been eating its way everywhere. We do know, however, that Egypt and India are in bondage to England and that the Transvaal is falling a prey to the money-lenders of London. Mexico, Central

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and South America, probably, have, in proportion to wealth, less indebtedness than the other nations. But all the nations are hopelessly in the hands of the money-lenders—if the debts are to be paid."

"You can now appreciate an answer to the question that has been asked," he continued. "The question is: 'With the deposits in the banks under a new system of civilization, part of which is used to build roads and all other public improvements and cost of administration of government, redeposited, returning to the banks, and used again and again, there would be proof positive that it would do so, if it can be shown that the money now being deposited in the banks are so used to create an equal amount of wealth for the men who thus use it.' We will confine the answer to the United States as to how it is done. You can then apply it to any and all the nations of the world, for there now exists in all of them the same system.

"In the United States the 110 billion dollars of notes, mortgages, and bonds and other wealth consisting of fine residences, costly business houses for their banks, farms and other real estate that have come into their possession in the payment of debts for money loaned, represent their profits, what they have made by this system. This amount, including their real estate holdings, is equal to three-fourths the total value of all the real and personal property in the United States. What the other people own is merely an equity, the right to hold only as long as they can pay their debts and taxes. The privileged few who have the legal right to handle the blood of civili-

men, have thus amassed a wealth equal to all the cost of the administration of government and the cost of public improvements. I do not mean the cost of government as it is now administered, but as it would be administered under a pure democracy such as has been here outlined, with character teaching and a proper financial system. It would make more public improvements than are now made under a corrupt system where each dollar of bond money spent usually does not do as an average as much as 50c would do honestly and efficiently spent." (Applause.) "The money lenders now own more than it would have cost to pay the administration of government and to make all public improvements that have been made.

"How do the men who now conduct our financial system make this enormous profit for themselves?" He asked the question and then answered it. "They have in the banks money they have deposited, there, to loan, 'Capital Stock' that does not go into circulation until it is borrowed and a debt made against the user of it; and they have money deposited in the banks by the people to the people's credit subject to their checks. The banker figures on checks on these accounts coming in, mainly, being deposited to the credit of the one bringing in the checks, very little money being required, very little cashing of checks with money. They can figure on 90 per cent of the money remaining in the bank and about 10 per cent going out handled by the people in their tills and pockets.

"When they commence loaning the money, they have two sources to loan from, money on deposit to credit of 'Capital Stock' and money to the credit

of depositors. A. secures a loan, we will say, for \$10,000. It is credited as a deposit by A. and placed on his pass book. B. follows A. into the bank and secures a loan for \$10,000. It is placed on the books of the bank as a deposit to the credit of B. and put on his pass book. C. comes in and the same transaction follows, D. and E. do the same, no money leaving the bank. It is all put on their pass books. At the close of these five transactions, the deposits of the bank have increased \$50,000. The bank holds the notes of A. B. C. D. and E. each for \$10,000 drawing interest, and no money has left the bank. This is continued until one million dollars is loaned, ten times the amount of the capital stock, we will say, of \$100,000. The books of the bank will show deposits \$1,300,000, made up of capital stock \$100,000, those who deposited actual money \$200,000, and one million dollars loaned and credited as deposits to the borrowers. The bank, we will say, for the moment has the \$300,000 of money, capital stock \$100,000 and the \$200,000 deposited in actual money by depositors who have had it placed to their credit subject to their checks. The bank holds \$1,000,000 in notes drawing interest, and no money has yet left the bank. This at the rate of 8% is \$80,000 per year."

He paused for a moment to let these facts get settled in the minds of his audience.

"There is now in the bank," he continued, "subject to check \$1,200,000, the one million borrowed and the \$200,000 actually deposited in money. The \$300,000 it has in money (\$200,000 deposited and \$100,000 capital stock) is 25% of the money on deposit subject to check, and this is regarded as more than a sufficient reserve to meet

checks coming in asking for cash. The law has now reduced the reserve required down to, from 3% to 1%, as graded by character of deposits and class of banks, an average of 9% reserve. So, that now in the instance I have just given, the bank can loan \$1 million dollars on a showing of less than \$100,000 in money in the bank. Ninety per cent of the money deposited stays in the bank, the balance of each depositor on the books of the bank changes as checks are charged and credited to each account. As to the banks in each town or city, once a day, they exchange checks deposited with each other on the other and pay the difference in money which is usually, as an average, a stand off. Checks coming into a bank drawn on it from outside banks for collection, are usually offset by checks on outside banks deposited with it. So, comparatively little money is necessary to maintain the bank's system of doing business and making loans.

"They and their allies, other money lenders, who mainly operate through the banks, with only about eight billion dollars, all told, in the United States, have loaned and have notes, bonds and mortgages due them for one hundred and ten billion dollars. And this does not include what they are loaning foreign governments. We thus see how, and where, and who, gets the benefit of permitting privately owned banks handling the money, the blood of your civilization. They have used the money as to now, practically, own the United States.

"We will now," he said, "follow the actual money, the cash as it goes out and back to the banks, the banks we now have. I mean the money that is actually paid out by the bank. We will take money going out to meet pay rolls, where

they are not paid by checks, money being used. The following day it has begun coming back to the bank in deposits of merchants and others and in two weeks it is practically all back in the bank." (Applause.)

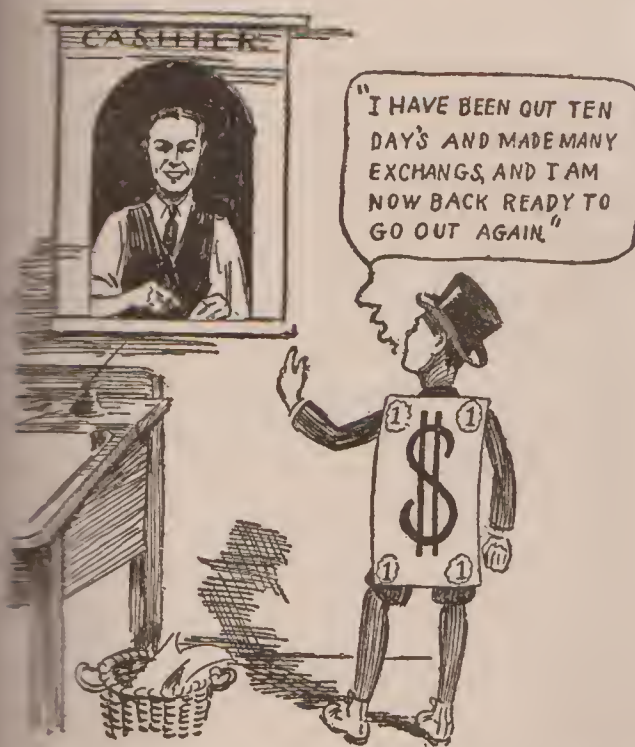
"When you have established the new civilization," he continued, "you will have, say, one bank for each 12,000 people. There will be no other banks. There will be only the one bank for the people of each district to deposit their money in. The money will be concentrated in these banks. I will now draw a picture here on the blackboard." He quickly drew, as what is called a lightning artist, might do, the picture of the interior of a bank, the cashier at the counter and the cartoon of a dollar walking in.

"The dollar says to the cashier," he said, pointing to the picture, "I have been out ten days and made many exchanges, and I am now back ready to go out again." (Applause, long continued.)

"Instead of the present system," he continued, "that makes these huge profits for the banks and their allied money lenders, under the new system you use the opportunity to use the idle money to pay the cost of government and to make public improvements, knowing that it will come back to your bank. (Applause.)

"Of the money the present banking system loans, little of it leaves the banks and what does leave the banks is back in the banks in a few days and they loan it again. They are using the money to loan it over and over, again and again, just as under the new civilization it can

used again and again for the common good. Under the present system there comes debts, bankruptcy, and distress, engendering strife, prejudice and clashing of classes, ultimately utter ruin. Under the proper system there will be no taxes, no debts and public improvements made rapidly."



(Long continued applause.) "Under the one system it means loss of civilization! Under the new system a new civilization, with a happy and prosperous people!" (Renewed applause.)

Under the present system the debts in the United States are as much as 110 billion dollars due to the money lenders, annually increasing.

The interest, yearly, is about as much as the total stock of money in the nation—not less than seven billion dollars—enough to pay all the expense of government, annually, and each year construct 50 cement roads across this nation, East and West, each road 3,000 miles long and costing \$30,000 a mile.”

He paused as he made this statement, with intense silence in the audience. It was a stunning, a startling statement! If true, here, in this one dramatic fact was a tragedy! An overwhelming and convincing answer, of itself, to Mr. Wallace’s question. He requested them to use their lead pencils, after school adjourned, and figure it out. Then continuing he said:

“With money lenders collecting interest on money, seven billion dollars a year, by the money being used over and over, again and again, the Common Good can use it over and over, again and again, to pay expense of government and push public improvements vastly more and faster than it is being done now!” (Long and continued applause.)

“So,” continued the little statesman, “under a new civilization, with minds of all concentrated by education on promoting the common good, a cash system of doing business, no money lending, private banks abolished and all banks co-operative banks belonging to the people, you will have prosperity and no debts.” (Applause.) “Checks on private accounts in the banks will change the amounts from one account to another, without, as a rule, any money going out of the bank. And what money is taken from the bank to meet pay rolls and otherwise, will in an average of two weeks be back in the bank.” (Continued ap-

case.) "The old order of things, debts, bonds, mortgages and taxes, with restlessness and dis-
satisfaction will be a thing of the past." (Long con-
fused applause.) "You now have the two sys-
tems to select from, putting money in circulation
by loaning it, the people borrowing it, or by
giving the people an opportunity to get it in
exchange for their service and property."

What had first seemed a puzzle, when stated on
previous days, was now a simple proposition, as
plain as daylight after 'sunup'," was the expres-
sion of one man who said he had not previously
understood it.

The next person recognized was Mr. C. M. Cade,
president of a bank at Shawnee, Oklahoma.
He had come down the center aisle, and had his
hat off. Mr. Cade is a large man of commanding
appearance, a successful banker, has been chair-
man of a political state committee and thoroughly
himself on his feet before an audience.

"My much respected little philosopher and
statesman," he said, "I want to assist in analyz-
ing your plan of a government, but it is now get-
ting late, the school has been in session its usual
length of time and with the understanding that I
was to be the first to be recognized in the morning,
when we again assemble, I will now suggest that
we adjourn."

Little Paul granted the request of Mr. Cade
and the ringing of the bell as he placed his hand
on it, announced the closing of the school for the
day.

Mr. Cade was widely and most favorably known
in the southwest, and the announcement that he

intended to take a hand in the "School" awakened great and renewed interest. The financiers were again going to assault the citadel of the little philosopher, was the interpretation placed by the audience on Mr. Cade's entering the discussion.

That evening some "Arkansaw" (that is the way it is pronounced by act of the legislature of Arkansas) fiddlers, were playing on the lawn at the Club House Hotel. They said they had come to pay their respect to the little philosopher and had been to his room to see him where they had played for his entertainment "Turkey in the Straw," "Dixie," and "Arkansaw Traveler."

Among the tunes they played and sang on the lawn was "Leather Britches":

"Leather britches full of stitches,
Mammy sewed the buttons on,
Daddy whipped me out of bed,
'Cause I had my britches on."

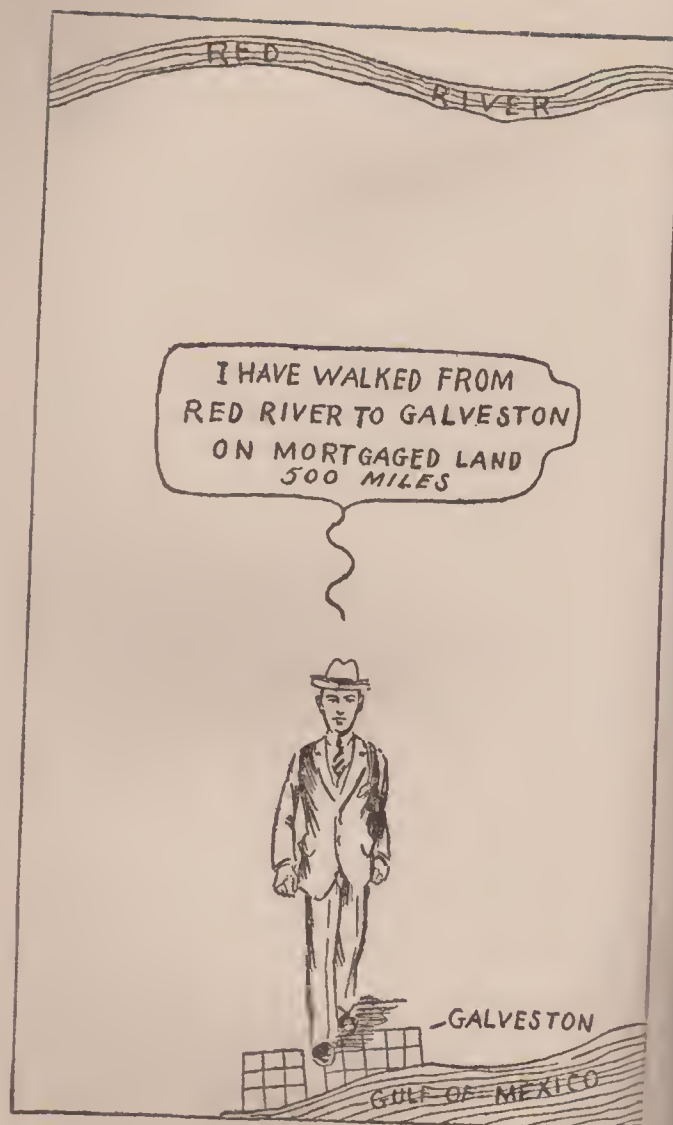
Their music and singing had drawn a large crowd, and as their entertainment was closing Mr. Joseph L. Keitt, of Newberry, South Carolina, called the crowd to order and said it was a good opportunity to discuss what they had learned at the "School." He made a short speech on the subject in which he was very severe on the Federal Reserve Banks and it was noticed that several bankers applauded what he said. "In the clash to come tomorrow," concluded Mr. Keitt, "between Mr. Cade and the boy my sympathies are with the little statesman."

There was much said by others that was both instructive and entertaining. Mr. Chas. Noyes, a banker of Paris, Texas, speaking of the condition of the farmers, said, "You can walk from Red

to Galveston in my state on mortgaged

Mr. Hershel Williams, of Dallas, Texas, a traveling salesman for Roberts, Johnson and Rand, of St. Louis, addressing the audience on the lawn, said that he was a member of a secret organization that met annually at Monte Ne to spend the summer. "The name of the Order," he said, "is the Order of Fleas"; that their place of meeting was at the Panorama on the mountain top overlooking the Horse Shoe Bend of White River; that they met only on moonlight nights when there was fog in the valley below them; that a candidate for admission "Must be so full of moonshine that he solemnly vows that he can skate on the fog." (Laughter and applause.) "And," continued Mr. Williams, "any one who says that we cannot have prosperity, such as this country ought to have, under the present financial system, is off his base or so full of moonshine he thinks he can skate on fog. Any one who thinks so, is a flea-bitten son of royalty!" (Continued laughter and applause.)

After all other guests had gone to bed that night a man was seen sitting at a checker table in the rotunda of the hotel trying, he said, "To work out with checkers how Saint Paul's co-operative bank would work." He said next morning he would do it. It was the same thought that was in the minds of thousands who had heard the little statesman.



CHAPTER VI

THE SIXTH DAY

Long before 10 o'clock the usual space in and around the pavilion was filled, automobiles arriving taking positions on the outskirts of the audience. There were many Ozark Mountain fiddlers present, entertaining the audience with their music.

At promptly 10 o'clock the little statesman came on the platform and was greeted with applause. Three ladies rose in front and presented him with a bouquet of flowers. He laid them on the table and then rang the silver bell that called the audience to attention.

He announced that Mr. Cade would now be recognized.

The Oklahoma banker was dressed for the occasion in a loose fitting suit of linen and as he came down the center aisle to take a position about half way down the aisle, there was hand clapping and a warm reception given him. Bowing recognition to him the little statesman sat down in a leather cushioned chair on the platform.

"Most noble, grand, worshipful master, of human thought, for the common good," began Mr. Cade, "I know not who you are or from whence you come; and no one else seems to know any more than I do, but we pay you homage, honor and deference. That you desire to solve the problems of the world that have seemed in-

soluble since the birth of Adam and Eve, is the impression you have made upon us. And so far as is in my power I am going to help determine, by human thought, whether your plans are feasible or not.

"The outline of what you have laid before us is the elimination of rent, interest, profit and taxes. Except as to profit, for each individual, you leave it open within the limit of \$50,000. As to land, which includes acreage and lots in towns and cities, you confine title, ownership, to those, only, who occupy and use them—and that means, with limitation on wealth, and, acreage—the end of tenantry—no more renting of property or existence of landlords; making it possible for all to own their own homes. It looks feasible, probable, that within the limit of \$50,000, one can own a fine farm, a comfortable and luxurious home and have a farm or other business from which he could make an ample living. Within this limit of \$50,000, you leave it open to competition as to the sale of products—the old and natural law of supply and demand, stimulating energy; the best fruit, the best wheat, the best tomatoes, etc. Also good manners. The merchant who has a smile for his customers, is attentive and obliging, is the one who has the most patronage—everything else being equal—this is what competition means—it tones people's manners. Monopoly as we now have it, a great deal of it, is having the opposite effect—which is destructive of fairness, justice and good manners. Within the limit of \$50,000 ownership of property, you provide for each and all to handle their own homes and business, as their own, free from dictation of the public or any one, so they do not trespass on the rights of others.

"As to those things of the value of more than \$50,000," continued Mr. Cade, "or more than \$200,000 owned in partnership by four persons, this to be the ultimate limit of private ownership of any property or business, you provide for collective ownership by the people to be run by a general manager for the common good—this to include cement plants, railroads, interurban lines and the output of oil and gas, where the land and operative plant is of the value of more than \$50,000, or \$200,000. This would conserve our natural resources, much of which is now being wasted.

"Thus far," he continued, "I think all ought to admit that your plan will curb selfish ambition for unlimited wealth, that is now strangling and marring seriously our present civilization. Your system of conducting public utilities such as railroads, a postal department, etc., would necessitate the employment and payment of many men for their services, with pay rolls in the United States, say every fifteen days aggregating a large sum. The cost of operating the railroads of the United States, the labor cost, is now about 3 billion dollars, postal service about 400 million. Add to this say 2 billion 600 million for operating other public utilities serving the people, from which there would be a return revenue of as much or more and you would have 6 billion dollars annual payment of money for services. Add to this two billion dollars for purchase of material from the people that would be needed in the operation of public utilities, and you have a total of 8 billion dollars. For semi-monthly pay days, twenty-four pay days a year, this would mean about 333 million dollars each fifteen days being paid out from the 9,166 banks—which would mean

an average of \$36,366 from each bank. This is not much as against a maximum of over \$800,000 of deposits in each bank—less than 5 per cent. Then there would be the revenues coming back to the banks daily in passenger fares and freight charges on the railroads, interurbans, postage receipts and other revenue which the people were paying for services rendered them, a total, we will say slightly in excess of expense, creating a surplus to take care of contingencies. The two billion dollars and more that is now being paid for interest on borrowed money, annually, by railroads and other public service corporations, would be eliminated, resulting in lower passenger and freight rates, water, lighting and fuel bills and other things, in the cost of which there is now counted these interest charges as part of the cost of operation. All these things can be financed under your plan, on a cash basis, with about 5 per cent of the money supply, going out semi-monthly and coming back in revenue, being deposited in the banks daily.

“But is it feasible, is it practical, under a general common good management? It is claimed that private ownership puts better business ability in charge. But if the evils connected with our present system are becoming too burdensome to bear, then a change of some kind must be made, if only as an experiment. You provide for the lack of honesty and ability in management of public utilities by a universal teaching of character that embraces honesty, industry, self-reliance and a love of promoting the common good. This may be the ‘missing link.’ With it, we will say that probably your plan is what we need.”

Mr. Cade thus far had been a surprise to many who wanted to see our present system of civiliza-

tion remain with us; also a surprise to those who supposed he, as a money lender, would naturally be combative. There was perfect attention and he was being followed word by word. There was no applause, but there was absorbing attention.

"Many will claim at first thought," he continued, "that your limit on wealth is curbing ambition, lessening energy and development. But is it healthy for civilization, that a man should possess a million or a billion dollars in wealth? The total value of all things is limited, say here in the United States it is 200 billion dollars. If we are to recognize the right of any one to have a million or a billion dollars of that wealth, then we are recognizing the right of a few to own the whole 200 billion of wealth. When you place no limit on wealth you excite an ambition, avarice and greed that mars the character of those possessing it; places a few in possession of all things, as it is doing now, and renders unhappy and restless millions of people.

"The placing of a limit on wealth," he continued, "is not placing a limit on ambition, which may be turned in many directions that will give employment of mind, stimulating energy and rendering happy the one who possesses it. One who sees he is going to have surplus wealth can spend it and his time in doing many things in the long range of thought—promoting inventions, education, beautifying the earth, building statuary on road sides typifying character, industry, self-reliance, home ownership, the finely mated man and woman, love of children, and I will suggest one piece of statuary that I hope will be seen by the roadside some day in every county, parish and province in the world. It would be, high on a concrete pedestal, lying limp and dead upon its

oval top, the life size figure of three men, bearing upon their faces the expression of what they were in life—on one, prejudice, the look of hatred; on another, vanity, the foolish look of silly pride; and on another, covetousness, the wrinkled and drawn face of greed. And on the smooth surface of the side of the pedestal in deep cut letters these words: 'After creating untold suffering and misery for centuries, they died and departed from this world in the twentieth century'." (Long continued applause.) "There are avenues for ambition other than amassing great wealth." (Continued applause.)

"Your plan," continued Mr. Cade, "for a democracy is sound. You could launch such a government as you describe with a constitutional convention adopting a constitution approved by the states. Thereafter the people, in the districts of about 12,000 population each, in the 9,166 districts, would locally and generally, co-ordinating, fix all future questions of public policy by majority vote, and administrations of national, state and districts, would need but few officers. A small congress, one-tenth the present number, a small legislature in each state, also one-tenth the present number, would be sufficient to put in formal shape as to details the policies adopted; and one-tenth the administrative officers we now have would answer. We would get rid of the multitudinous officers and hangerson we now have. And with a prosperous people and no longer any panics there would be little for either congress or the legislature to do." (Applause.)

"But," he continued, "this whole plan of an ideal government depends, in a great measure, on the success of your financial system. Is it practical is the question?"

At last the opposition was coming from this courteous knight of the financiers.

"I can see," he said, "how, by that system, you could pay the cost of administration of government and make all public improvements, with \$800,000 or \$400,000, in the district bank of 12,000 people—some 75 or 80 thousand dollars going out semi-monthly to meet pay rolls and coming back. As it surely would come back. And some of it would not go out at all. Some of the payments would be in checks, be deposited by the payees to their credit, and checks that they would give on their accounts, would, in the main, also be deposited to be checked on. All this is plain to any banker. Money is a tool. When it has performed its purpose and returns it is ready to go out and do the same thing again. Doing business on a check basis, with stock and grain exchanges and all other gambling institutions no more, less money would be needed than is now required. But here comes the rub."

"You have founded your financial system on gold, and how are you going to keep the gold in the banks or in the country? If you cannot hold on to the gold your financial system collapses, your paper money is worthless. The people will not exchange their service or property for it. Utter confusion follows."

This same question had been in the minds of many—and it was now before the school. The Oklahoma banker, a chivalrous, broad-minded gentleman, with an unselfish character, had touched the weak point in the plan of a new civilization. The thousands listening wondered how it would be answered.

"Gold is used as an international money," continued Mr. Cade, "it is also used in the arts and for many purposes in the manufacturing of many things; and all this gives it a value. Independent of its being coined into money it can be exchanged in bullion form, by weight, for other property. It therefore makes a sound basis for paper money redeemable in gold. All the world is pulling on it. The supply fluctuates between nations as required in settlement of balances in international trade. The nation that exports more than it imports has a balance to be settled with it, which is paid in gold. Thus our gold may leave us or be greatly diminished in quantity, imperiling a financial system.

"And there is another danger," he continued, "by which your new civilization could lose all its gold. We must not lose sight of the situation, that such a new civilization would be adopted by a majority vote of the people and that in the minority that would remain—would be money lenders, who would try to break down the new system. Presumably they would be wealthy men in favor of the old order of things. Their opposition would take the course of hoarding the gold—and with only about 3 or 4 billion dollars of gold in the United States, to be exact \$4,417,401,937 by the treasurer's last report, an unusually large quantity at present, some two billion dollars in excess of the usual quantity in this country, all the gold might be hoarded and hid away. A sect or combination of men of that desire scattered over the United States could do this—and down would fall the new civilization. In some of the nations there is now very little gold, and what there is, is hoarded with a condition of chaos existing.

"In the sixteenth century," Mr. Cade continued, "this hoarding of the gold was deliberately carried out in the then commercial world. Loaning money for interest was prohibited. The churches condemned it, christian burial was denied money lenders. It was the prevailing opinion in England that the loaning of money for interest, or usury, as it was then called, was unjust gain, forbidden by divine law. It was decreed that the effects of all money lenders should be forfeited to the King. They were declared outlaws. It was made an indictable offense, and Edward III made it a capital crime. You will find all this in English history. The money lenders met all this opposition by hoarding all the gold and silver—hiding it away—and business, commerce, was brought to a standstill—paralyzed. Gold and silver was then regarded as the only practical thing for use as money. It was all buried, hid away, by the would-be money lenders who opposed the law prohibiting usury. The money lenders were making a bitter and stubborn fight; and they won. The laws were changed permitting them to loan their money and soon the people became greatly in debt to them. Then claiming it would make it easier for the people to borrow money they secured the right to establish the Bank of England. So, therein lies the danger to your new civilization. What those favoring a system of getting money to the people by loaning it to them for interest, did then, they can do now. They can do it to your new civilization with a monetary system based on gold. They did it once. And they can do it again. How will you protect your new civilization under these circumstances? I am done."

A chair was handed Mr. Cade and he sat down. There was no applause. He had ruthlessly torn the veil aside and exposed the danger. He had first shown the advantage of such a new civilization. It was a beautiful picture as he, in his way, had made a word painting of a civilization under a cash system, with character training and money functioning so perfectly in the making of a prosperous, happy and contented people. Then he had showed how easily it could all be destroyed. A nervous shudder, as it were, went through the audience. It was no time or occasion for applause. It was heart rending. It was pitiable. It was in the mind's eye a horrible drama, a terrible tragedy being enacted on the world's stage. Then came a relaxing of nerves, and hope, as the little statesman rose from his chair and stood before them.

"A reply to Mr. Cade," he began, "takes us into the subject of what money should be made of, and how to protect it, when made, from misuse and from being diverted from its purpose to serve the people. To do this we must master that branch of the science of money. A definition of science is 'knowledge obtained that is shown to be correct.' That knowledge, as to money, and how to protect it, you will obtain, and when you have acquired it you will have the answer to that part of Mr. Cade's statement that calls for an answer.

"It is a subject in itself," he continued, "'What money should be made of and how to protect it,' and more time should be given to the subject than we have left of this session of the school. So we will make it the subject when we next convene. We have been much instructed by

what Mr. Cade has said. He is an able man and a just man and we are all glad he is here with us.

"As there is a short time left us for today the school is now open for further questions or statements."

From a number rising, holding up their right hands, Mr. T. S. Mighell (pronounced Miell, though being silent as in might or mighty) a farmer near Holstein, Iowa, was recognized.

"You have given us," said Mr. Mighell, "what the money lenders have made by having the legal right to a privately owned banking system and the right to loan money. I would like for you to tell us if any of the money they control is used in any other way to increase the burden of the people."

"It is used by them," began the little statesman, "to loan to those who are monopolizing products and opportunities. These loans are made in large sums by which those receiving it buy up those in competition or combine them, underselling those who refuse to sell or combine, till they are bankrupted—thus getting possession of a monopoly of whatever it is, tobacco, sugar, steel, salmon, oil or whatever it is they want. This could only be done by the use of large sums of money, and they get that from the large money lenders. They pay interest on the money, of course, to the money lenders and usually pay a banker, say in New York City, 10 or 15 or 20 per cent commission for placing the bonds of their new company among other money lenders. Having perfected their monopoly, they raise prices, fix prices that are high, thus making the consumers pay enough to take care of the interest on the

money borrowed and the commission paid, and additionally a large profit for themselves. Thus hundreds of millions of dollars are taken from the people annually that increases by that much the burden on them additional to the debts, interest and taxes we have heretofore considered.

"We will illustrate how this is done," he continued, "with the price of sugar. At a time when it was made and sold to consumers, at a profit, for 5 and 6 cents a pound, two men went to a banker in New York City and said to him, 'We are going to buy sugar; we have, of our own, money and securities on which we can raise more money, one million dollars. With this we will begin buying sugar, placing it in warehouses and taking warehouse certificates to show we have it. We want to know of you if we can borrow of you on these warehouse certificates, representing sugar we have paid for, borrow from you as we buy, on these certificates, 90 per cent of their face value. As we continue to buy, thus cornering the supply of sugar, sugar will advance in price, we will control the price, and your security will be gilt edged, ample.' The banker replied, 'You have a sure thing, and if I can place these certificates for you, getting you the money, you can not only afford to pay good interest but additionally pay me 10 per cent on the 25 million or more you will need.' The deal was closed, the banker making \$2,500,000 commission, he and other money lenders the interest, and the two men who ran the deal made more than 100 million dollars. That is the way the people paid at that time as high as 30 cents a pound for sugar. You are now paying 8 cents a pound, about 2 cents above what its price otherwise would be. Each cent per pound, added, rep-

resents millions of dollars to the Sugar Trust. Trusts would all disappear, could not be, would not be, under a proper civilization." (Applause.)

Mr. John L. Garber, a business man of Columbus, Ohio, was the next one recognized. He said:

"I want to know why the people cannot now do business on a cash basis. Why is there so much money now borrowed?"

"The reply is," said the little philosopher, "because the money is hoarded to loan, and until some one or more people borrow it, and sets it circulating, civilization does not function. A civilization once started as this one is, must have money circulating, and as it decreases to an insufficient quantity, by reason of being hoarded to loan, business and society suffers—as it, money, is a necessity and must be had, they go to the money lenders and get it, creating a debt to get it. The money goes back in the hands of the money lenders and is not again in circulation till it is again borrowed. When loans are called in by the money lenders business becomes paralyzed. Then you have panics. Thus people are forced to borrow. Here and there may be some one who does not borrow, but he is saved from borrowing because of so many others borrowing and putting money in circulation which he gets. Thus, there is not enough money in circulation for the people to do business on a cash basis."

Mr. Garber afterward said he knew what the answer would be, but he wanted others to hear it.

Sugar consumption in the United States for 1921, as given in the World Almanac for 1922, page 291, was 10,549,451 pounds. Each advance of one cent per pound was \$105,454.51. An average advance of ten cents per pound would make a net profit for the Trust of \$1,054,845,100.

The next one recognized was Mr. W. S. Roebuck, a farmer, living near Ft. Wayne, Indiana. He said:

"We often see the statement in the newspapers that there is plenty of money, that the bank deposits are bigger than ever, 'indicating prosperity with the people.' At one time it was stated that bank deposits were some 40 billion dollars. And based on this fact as shown by bank deposits being so large, the papers said, 'there is an abundance of money.' How is that and what is the explanation, when we know as a fact that the people are not generally prosperous?"

"All the money there is," replied the little financier, "in the United States is about 8 billion dollars; and if it all belonged to the people and had been deposited by them in the banks, the total deposits would only show that much. What makes the deposits show more, say 40 billion dollars, is, because the banks hold the interest-bearing notes of the people for about 35 billion dollars, that have been credited as deposits. When you borrow from a bank \$1,000, say, it is credited to you as a deposit. The more deposits the banks show the more the debts are and it indicates that the people are getting deeper and deeper in debt to the banks. It means the interest they are paying is also increasing. It does not include public bonds which the people must pay with taxes. To pay them and the interest annually, also industrial bonds, increasing annually. Large deposits in the banks means more debts and coming disaster to the people financially." (Applause.) Jim Tucker, of Monte Ne, a farmer, leaning against a post of the pavilion, cried out, "that's a hot shot."

The next one recognized was Dr. P. A. Spain, physician and surgeon, of Paris, Texas. He said:

"I want to know why the ministers of religion, the preachers, are silent on this subject at a time when there is a world crisis? The Bible is positive and emphatic in its condemnation of usury. We must remember that the word 'Usury' has only recently been defined to mean 'interest in excess of the legal rate.' That definition is of recent origin since evil influence has come to dominate education. 'Usury' in the Bible and in all history and in the dictionaries up to about 60 years ago, meant 'interest on money,' any interest; one per cent was usury. And the Bible laid it down as a fundamental doctrine that there should be no interest charged in loaning money. Christ drove the money changers out of the Temple. St. Paul and St. Peter, apostles of Christ, condemned it in the severest language. All the churches down to the sixteenth century so condemned it. The fiery furnace through which the people of the world are now passing, with usury piling debts mountain high upon them, meaning confiscation of their property, corruption of character, taxation unbearable and the very existence of civilization threatened—makes this a subject of the highest religious order. There is no doctrine in the Bible so apropos at the present time as that doctrine in the Sacred Scriptures that says, 'TAKE THOU NO USURY,' repeated again and again. And yet the preachers of today are silent. I want to know why they are silent." He paused in an attitude of waiting—waiting for the reply.

The little prophet was looking at Dr. Spain as he concluded, then raising his eyes, taking in all the audience, he said, "That is not a question for

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me to answer. It is a question for the priests and preachers to answer, **to the people and to their God!**" His voice as he said this seemed to have a hardness in it as of iron or steel, and yet a resonance, an ability to send back or prolong the sound as the words seemed to echo and linger over the audience in the pavilion and outside in the open air—**To the people and to their God!**—there was a hushed silence for a time, as each felt as if in the presence of a moral catastrophe.

The little prophet laid his left hand on the silver bell on the table and as he was about to have it announce the close of the school for the day, Dr. C. C. Hibbs, a tall, polished gentleman, from Bismarck, North Dakota, came onto the platform, indicating to the little statesman to wait a minute. Dr. Hibbs announced as tomorrow was Sunday, it was the wish of the committee on arrangements that an expression be obtained from the audience as to whether the next session of the school should go over till Monday, or that it be tomorrow. The feeling, he said, by the committee, was that the school should continue from day to day till finished. And as it was a subject of transcendent importance embracing the possibilities and perfection of a civilization, it ought to have the right of way on any day. "Tomorrow," he said, "being Sunday, will give an opportunity for many who have been following what is said in print, to come here in person. To test the wish of those present I will ask all who are in favor of the school continuing tomorrow, beginning at 10 A. M., to say so by rising or otherwise expressing your wish on the subject." All arose and those already standing cried, "Yes, Yes, Yes, we will

be back tomorrow." The little statesman sounded the bell and the school adjourned for the day.

Again in the afternoon and evening, groups of people on the lawns and porches and in their rooms at the hotels, were discussing the subject of the "School." The major interest and discussion was on the subject with which Mr. Cade had closed his address, and what the probable answer of the little statesman would be. It was terrible to think what could happen to a civilization by the selfish acts of men, with a privately controlled monetary system. And at any time by hoarding gold they could knock the bottom out of a financial system based on gold.

As to what the little financier's answer would be there were many expressions. "Greenbacks," said one. Another, "Lincoln knew what to do, but Congress got in the way by granting a banking system to the money lenders." Another said, "Bimetallism, silver in competition with gold."

Mr. Samuel Kidder, a large fruit farmer, of Monticello, Florida, standing in a chair on the lawn, addressing about one hundred people gathered about him, closed in a voice that was penetrating, "Considering selfishness in the human race," he said, "with the gold standard as the basis of a financial system, with usury to continue, we are permitting to be dug in our presence a deep, dark grave in the ground, as it were, in which will be buried this civilization."

A crisis in the school had come that had everybody guessing and more or less anxious, or worried as to what the result would be.

The Treasury Department of Washington issues a monthly report of money in the treasury, in the Federal Reserve Banks and in circulation. It is called "Circulation Statement." You can get it and you can have your name put on its monthly mailing list by so requesting.

SHALL IT BE THIS?



Satan speaking: My weapons, Prejudices,
Vanity and Selfishness, have done their work,
and we here bury another civilization.

CHAPTER VII

THE SEVENTH DAY

In the Ozark Mountains, in summer time, with fine roads and picturesque scenery, Sunday is a day for "outings" with many picnics by springs, mountain lakes and rivers.

But on this day, all thoughts were on the meeting in the pavilion at Monte Ne, and from the county generally and all the surrounding towns people were coming to hear the little school master, philosopher and statesman; and by 10 A. M. as many as 5,000 people were packed in and around the pavilion, where with the aid of the amplifiers all could distinctly hear what was said. Many had brought with them opera glasses with which they could see more closely the little prophet or other speakers.

At 5 minutes past 10, the little speaker came on the platform. Many ladies came forward presenting him with bouquets of flowers, which were accepted for him by Dr. Hibbs and others who were on the platform.

Placing his left hand on the bell that sounded attention, he opened the school for the eventful session that was to follow.

"Recognizing," he said, "that this is Sunday, the holy Sabbath day, I am going to first read two or three verses from the Bible." Then with a Bible in his hand he read:

"Ezekiel, chapter 18, verse 13. 'Hath given forth upon usury, and hath taken increase; shall

he then live? He shall not live; he hath done all these abominations; he shall surely die; his blood shall be upon him.'

"Leviticus, chapter 25, verses 36 and 37. 'Take thou no usury of him or increase, but fear thy God; that thy brother may live with thee. Thou shalt not give him thy money upon usury.'"

Taking from the table a large book, he continued. "I now hold in my hands Volume 9 of 'The Ante-Nicene Fathers,' with the Apocalypse of two of the Apostles of Christ, Peter and Paul, given therein. I now read you what these two Apostles said. Page 146, Peter said:

'And in another great lake, full of pitch and blood and mire bubbling up, there stood men and women up to their knees; and these were the usurers and those who had taken interest. * * *

"Paul said, page 160: 'And I saw another multitude of pits in the same place, and in the midst of it a river full of a multitude of men and women, and worms consumed them. But I lamented and sighing asked the angel and said: Sir, who are these? And he said to me, These are those who exacted interest on interest and trusted in their riches and did not hope in God that He was their helper.'

"Thus far in the school," he continued, "we have given the reason why money is a thing sacred in the making of a civilization; that there is no such thing as a civilization without money, a medium of exchange, making it practicable for the people to divide up into many occupations; that money is the blood of civilization. You thus have the logic, the reason, for these utterances that come to us, divine.

"The subject today is what money should be made of. Thus far we have seen how it should

be controlled and by whom, to answer its great purpose. In doing so, I have used money as you now have it made of gold with paper money and silver coins representing and redeemable in gold. But Mr. Cade has shown, correctly so, how a monetary system founded on gold, may be destroyed, taken away from you, resulting in confusion and disaster to a civilization. With such a system, based on gold, he has shown you how nations will pull on each other for it, taking one from the other till the quantity left in one or more nations is insufficient; and how it may be monopolized and hidden away for a selfish purpose. He might also have added that the supply of gold in the world fluctuates from year to year. That its loss from ships going down and other ways and its use in the fine arts, dentistry, by erosion and otherwise, in some decades is greater than the world's production. It is a thing the supply of which is uncertain.

"If, therefore, we are to have a perfect civilization, which is practical, human wisdom must create a money that is reliable, the quantity controlled and that cannot be monopolized and hidden away for a selfish purpose. That is the object of this school today.

AN IDEAL MONEY

"That which is adopted as an ideal medium of exchange must be that which the people will accept in exchange for their service and property, and, with which they can exchange it for the services and property of others; that will only decrease or increase in quantity as wisdom for the common good directs; that can be replaced if lost or hoarded and hidden away to prevent its

use; and that will not be exported and taken away from the nation, the 'body politic,' that functions with its use in the making of a civilization, independent of all other nations. One, too, a system that each nation may adopt for itself, a system that will not interfere with the people of all nations exchanging their products with each other.

"It cannot be a system of paper money, redeemable in gold, wheat, corn, cotton or any other property, as each and all of them fluctuate as to the quantity produced; or, may be monopolized, the supply 'cornered' as you express it; or, exported till the supply is too little to be a sufficient and a sound redeemer for the paper money in circulation. Gold is now 'cornered' and its supply, if it were not cornered, is not sufficient to redeem the paper money you have. Its supply in other nations is much less than it is in the United States.

"The redeemer for an ideal, a perfect monetary system, for the paper money, must be service—to meet all the requirements necessary for its protection. With service as a redeemer for paper money each of the difficulties may be overcome; difficulties that we now have with gold, insufficient in quantity to redeem the paper money, and that may be exported or monopolized and held for ransom."

He was speaking slowly and pausing frequently to let every one listening grasp and absorb what he was saying.

"We will illustrate this with the United States," he continued. "Under the new civilization the government, the people, would own all the public utilities, including railroads, interurban and electric lines, postal services, water and lighting

plants, most of the coal mines and many of the oil and gas plants, all of each of the value of more than \$200,000. Suppose we have, as we have now, 8 billions of dollars in money. And it was all paper money (part of silver for small money, as we have it now is understood), all redeemable in service—and legal tender for all purposes. No other money. Gold demonetized. Suppose that to be the situation.

"The total, annual, receipts of the public utilities I have named, including railway fares and freight, interurban and electric lines, water and electric light dues, fuel, coal, oil and gas, used and consumed by the people, annually, now amounts to as much as 24 billion dollars. This money of which I speak, redeemable by the government in service, would be constantly being redeemed in services, accepted by the government for fare and freight on railways, water and light service, coal, for fuel, oil and gas; the money coming back to the 9,166 banks daily; again paid out for services and property needed in operation and maintenance of public utilities; all operated under a general and local managers for the common good. Thus the 8 billion dollars would be redeemed every four months." There was applause from about two-thirds of the audience, the others, no doubt, wanting time to think about it.

"The paper money you have now is not being redeemed. Try it at your bank. You will, usually, be told that you will have to send it to Washington attended with much delay and inconvenience. The big money lenders have, at times, called on the government for redemption of paper money, to force the government to issue more bonds to get gold—from them—with which to redeem the paper money. You now have a

redemption system that is a joke. One that is impractical and that does not work. But serves the purpose of the money lenders to jerk the government down to it when they see fit; and by hanging over the heads of the people billions of dollars in mortgages, bonds and notes payable in 'gold coin of a certain weight and fineness,' you have for your paper money a redemption monetary system that works ruin and disaster. (Applause.)

"We will now test the new monetary system," he continued, "by the rigid rules I have laid down.

"First. Will the people accept it in exchange for their service and property? This question practically answers itself. There will be no other money. We will have paper money with silver coins as we have them now. The millions of people traveling will pay their railway fare with it, also on street cars and electric lines; pay their freight bills which including passenger fares is now about 5 billion dollars yearly; buy postage stamps with it now about 400 million dollars each year, pay their water bills in the towns and cities; pay electric light bills which under the prosperous new civilization, a common good management, will be extended to houses in the country as well as to the towns and cities; pay for coal, oil and gas for fuel, for heating purposes and running your automobiles and other machinery; for cement and other things manufactured by managers for the common good. The law will so read that it is thus receivable—thus redeemed. In payment for all these things that I have named the money is being redeemed by its maker, the government, in services. Value received is being given for it. And it is all, 8 billion dollars, being redeemed three times a year, value exchanged for it. You

may say that a person receiving it, in an isolated case, is so situated he cannot use it for any of these purposes. Many more such persons we have now, receiving paper money, who do not have any need or use for gold, but being legal tender and having a redeemer, it is accepted and passed on as a medium of exchange. Under the new situation the demand for its use will be by the millions of people who will use it where it is redeemed. This demand will give stability and value to it, much more so than paper money now has.

“The second requirement is for a money that does not decrease or increase in quantity, except as wisdom for the common good directs. The money will be made of paper and a small quantity in silver and copper coins. As to the silver it is thus made for durability as it is much handled in making change and for sanitary reasons, but if it is not accessible, fractional money may be made of paper, as you had it during the Civil War. But the question now is: Regulating the quantity of the paper money, redeemable in services. Starting with 8 billion 776 million dollars, the quantity of money there is now in the United States, an average of \$800,000 in each of the 9,166 banks, or with half that quantity which would mean \$400,000 in each of the 9,166 banks of 12,000 population each, as may be found to be a normal and proper quantity of money for civilization to function—with no taxes and making public improvements. That amount, we will say, would be found to be a normal quantity. Any changes thereafter in the quantity would be decided by majority vote of the people, after thorough discussion by the administrative officers of the

nation, state and local districts of 12,000 population each and by the PEOPLE. Thus the quantity would be regulated by a people, character trained and trying to build the Temple of Civilization. As it is now, the quantity of money there can be in circulation is governed by numerous complications including the quantity of gold on hand as it is produced from time to time or as we can get it away from other nations. Thus the quantity of money in the new civilization will be fixed by the wisdom of the people, freed from all the entangling disturbances of the present."

Mr. John M. Hess, of Chicago, lawyer and authority on hydraulic power and irrigation projects, now arose, was recognized, and said:

"I wish you would set at rest in my mind, as it is no doubt in the minds of others, how the money supply, say, 8 billions of dollars, will adjust itself to an even circulation throughout the nation. Suppose, in the making of exchanges the supply of money is depleted in some of the district banks and a surplus accumulated in other district banks, thus leaving an insufficient quantity in some or many of the district banks. You have stated satisfactorily how the quantity is fixed and controlled for the nation. But what about each respective bank?"

"The answer is this," said the little statesman: "There would be a National President, a Treasurer, and a Manager of the Common Good; a State Governor, Treasurer and a Manager of the Common Good; a District President, Treasurer and a Manager of the Common Good. These administrations would all be in touch and acting in concert. If the supply of money diminished in a bank below what it should have, a corresponding

surplus in other banks, the quantity of money necessary to restore the supply in the bank needing it, would be shipped there. The money would be national money, good anywhere in the nation.

"Suppose," he continued, "that there is a drought in three states, a nearly total loss of crops, and the district banks were financing the building and repairing of many roads, building irrigating ditches, and other public improvements, putting money in circulation to enable the people to buy all they needed being shipped in from other states, and notwithstanding the rapid return of this money to the district banks, it was entrenching on their reserves, till it was below the limit, incident we will say to their shipment of money to banks in the states from which the merchandise was coming to supply the wants of the people. In that case the banks on the outside that had a surplus beyond their requirements would be directed to ship money to the banks in the drought states." (Applause.)

"Your answer is satisfactory," said Mr. Hess.

"The third requirement for an ideal monetary system," continued the little statesman, "is a money that can be replaced if lost or hoarded and hidden away to prevent its use. In the sixteenth century when gold and silver only was regarded as money, and the money was hoarded and hidden away, civilization was at the mercy of those who hoarded it to force the governments to permit them to loan it—and thus usury, interest on money, was restored. You are now, somewhat, in the same situation, with paper money redeemable in gold. The gold is monopolized by a few and the owners of it can force the government into debt, because the government has to borrow

the gold from them to redeem the paper money—which they have heretofore done and can do again. Under the new civilization they cannot hoard the service, the redeemer of the paper money. They cannot buy the railroads and other public utilities, as no one can individually possess wealth beyond \$50,000 and not more than four persons can act in conjunction in possessing property and there will be no corporations. If they hoard and hide away the paper money the managers of the district banks will discover who they are. The supply of money in the nation, in the banks, can be known monthly by reports of each bank to the state and national treasurers, which will disclose any conspiracy against the common good—to be punished by penalties. And what meets this situation fully, should it arise, is that for all the money found missing thus hoarded, the government could print new paper money to take its place, retiring it when the blockade was broken.” (Long continued applause.) “For what money is lost by fires or otherwise or worn out it can be replaced. Thus we see that a normal quantity of money cannot be interfered with.

“The fourth requirement for an ideal money is one that will not be exported, that will remain in the nation that makes it and controls it, for the functioning of its civilization. A system that each nation may adopt for itself, a system that will not interfere with the people of all nations exchanging their products with each other.

“The new system gives the ideal money to meet that requirement; and in connection with the whole plan of a new civilization, will bring an end to wars.” As he said this there was much wondering among the listeners. A new subject

was being touched, that later was to get absorbing attention.

"It is not necessary to explain why it will not be exported, as its redeemer is service in the nation producing it. Now gold is the redeemer of paper money, and it can be exported. **No nation can control its affairs that cannot control its financial system.** Local self government, as applied to nations, is indispensable to their success. **No nation can control its financial system, if its money is dependent on gold or any exportable substance.** It is self-evident. So, to build a political organism, a 'body politic,' that can analyze and master the problem of civilization—with money one of the first essentials in the existence and the making of a civilization—it must have control of its financial system free from interference by the **people of any other nation.** Have the control itself. The system we are now analyzing is such a system. (Applause.)

"It is claimed for gold," he continued, "that it is necessary to have an international money—a money with which international commerce can be carried on—commerce or trade between nations. This is a fallacy and results disastrously. It results in nations becoming indebted to each other and the people of nations becoming in debt to the people of other nations; resulting in rivalry and quarrels over the possession and control of the gold; and in the taxation and oppression of the people of weaker nations to collect these debts, including the seizure of their custom houses and other acts that results in wars. It breeds rivalry in the commerce of nations, engendering prejudice and hatred. Propaganda is used in the press that is false and selfish, to cripple the trade of rival nations. Weaker nations are seized by

conquest and their people put in debt, are drained of their substance and practically enslaved. All this is stopped at once when the nations of the world adopt the financial system that we are now discussing.

"Why?

"When all the nations are on the plan of a new civilization, with each its own money—with no international money, it results in the exchange of products with no debts; commerce between nations limited to an exchange of the products each has, that are needed or wanted by the others.

"It will work out this way," he said as he continued: "There will be agents in the port cities of all the nations who will be in touch with each other. A ship, say, will leave New York City or other port of the United States for a port in South America loaded with those products for which there is a demand in the nation to which it is going. Its cargo has been paid for with United States money. On its arrival in the southern port the ship-master or the owner of the cargo or his agent, if aboard, reports to an agent there. The cargo is sold for the money of that nation; and with the money of that nation a cargo of coffee or other products for which there is a demand in this country is purchased for the return trip. Say, the ship-owners or the owners of the cargo are citizens of the United States. The cargo which they sent to South America has cost them we will say \$100,000, and over and above expenses they sell the return cargo in the United States for \$120,000. The net profit of the trip is \$20,000. This illustrates the sailing of vessels between all nations, buying the cargo in one nation with the money of that nation, selling the

cargo in another nation for the money of that nation and then buying a return cargo. An agent or broker in each port, knowing the nature of the cargo coming, might have it all sold by the time it arrives and the return cargo contracted for, the two transactions carried out for cash in the money of the nation where the exchange is made. If the trader is a citizen of the United States he knows what the result of the trip is each time he returns to the United States and sells his return cargo, and he has it in the money of his country. The use he made of the money of the other nation was to effect the exchange. The money of each nation remains at home.

"International debts and what you call 'balance of trade' to be paid in gold will be no more. For two reasons. First, gold is demonetized as money and secondly there is no law for the collection of debts, voluntary debts. All transactions are for cash by prosperous people who have been freed from money panics and the hoarding of money that depressed business." (Applause.) "There is a clean slate at all times between nations.

"The tendency would be for all people to stay in their own country; thus leaving it to the citizens of each nation to work out their own destiny in a harmonious way." (Applause.) "Visitors would come from other nations to arrange for the exchanging of their products and to learn the progress made with the new civilization, that they might be benefited by it in their own nations.

"You will ask the question," he continued, "how these visitors coming here and how our people traveling in foreign governments could have money of the nations in which they were visiting or traveling to pay their expenses or with

which to buy something to bring home with them. The answer to that question is this: On the arrival of a foreign cargo of products, by prearrangement between nations, the owner of the cargo would deposit a part of the money he received for his cargo in a bank, in that country, for which he would receive a certificate giving him a credit for a stipulated sum in a bank in his nation payable in his nation's money. A man, say, leaving France to come to the United States would buy from his bank a draft on a bank in the United States for the sum he would probably need while here, for which he would receive our money from the fund to the deposit of 'Visitors Account.'

"To make this plainer," he continued, "we will say a cargo from the United States arrives in France. The owner of it sells the cargo for \$50,000, in French money. He uses \$45,000 of it in purchasing his return cargo. He deposits \$5,000 of it, French money in a French bank and takes a certificate of deposit. On his return to the United States he learns from the banks what the demand is for exchange on France. If the demand is strong he sells his certificate of deposit for a good profit. If there was no demand he, on his next voyage to France, or the person to whom he sold it would use it in buying products in France. The nations by common consent could carry balances of their money with each other to provide money for visitors, when presenting bank draft for it. All business of this character by previous arrangement between nations would be done through the government banks—thus protecting individuals, or any policy adopted by the nation;—such as immigrants coming to a nation to live temporarily to make money and send it home. This would be stopped, settling vexing questions

that now exist. Thus all money of each nation would remain in it—none leaving it. A stable and normal supply would always be had. It is as important for the financial blood in the 'body politic' to remain with it as it is for the blood in the human body to remain in it. Each nation will be functioning, under the new civilization, in perfect control of its financial system. There would be no international money lenders disturbing the world with the collection of their debts, or bringing peoples into subjection to pay them tribute." (Long continued applause.)

"Peace in all the world will be in sight. Peace! Peace! Peace!" he said, with a voice that lingered with a gladness in the space that encompassed that vast audience, "will have come to stay on an earth that has been drenched in blood through international entanglements, commercial rivalries and intermeddling with each other. Prosperous and happy peoples, their selfishness held in restraint by a limitation on wealth, character trained, broad minded, generous and hospitable, will lay aside prejudices. All religions will unite in few and simple tenets, recognizing the science of civilization, making one true religion and the Temple of Civilization will be built!"

He had uttered the last few words slowly in a clear sounding voice with a tone prophetic and convincing and with the last word the bell sounded that announced the close of the school for the day; and simultaneously with its ringing the audience rose en masse with bursts of applause, shouts and acclamations of joy and approval.

All were keeping their places and more or less expressing the general good feeling that all felt, when Dr. Hibbs came forward on the platform

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holding up his hands, which secured him attention. He announced that it was the wish of the little teacher that tomorrow, Monday, be devoted to questions and answers, relating to any feature of the plan of a new civilization; and that the next day, Tuesday, would be the last day of the school for which the little statesman had special purpose. The 5,000 people in attendance slowly departed for their homes, or hotels in the resort, thinking of the present chaos in the world and of the dread of impending wars to come with confusion worse confounded unless decisive steps were taken to set the world right.

The day's session of the school was the subject of conversation with all who had attended it. Many were the comments and opinions expressed. Henry Warfield of San Francisco, a guest at the Club House Hotel, that afternoon, said: "My God! Think of it, no taxes, no assessors, no tax collectors, no bonds, ninety per cent of the office holders not needed, character training, the government running automatically, a true democracy—and peace—no—more—wars!!" "But," interrupted Chas. Henry East, an artist and cartoonist, of Roanoke, Virginia, "you are overestimating the character and intelligence of the people. There is the rub! Selfishness is deep rooted in them, they will not inform themselves and are indifferent as to what may come, is the rule; an attempt at character training will fizzle out and accomplish nothing. His plan is alright but the people are too stupid to accept it or act upon it."

"But," said Warfield, "here is where your joints are loose. You can train horses, dogs and other animals—go and see a dog show and see how they can be trained—and then tell me if universal training of the boys and girls, at the forma-

the age of the mind—in all the schools of the nation, will not train them to accept, to help make this new civilization? They are more easily trained than dogs!" A crowd had gathered around and now applauded what Warfield had just said.

The general consensus of opinion was expressed by Mr. C. F. Michael, a prominent, retired, business man of Bristol, Connecticut. He said: "The little prophet has given us the true science of a civilization. His logic is unanswerable. The trouble lies in getting what he has said to the people. Selfish interest is now in control of the press, most of it and nearly all the avenues of getting information to the people. Suppression of knowledge that should reach the people, is the mode that will dig the grave in which this civilization will be buried. Overcome that and the sun will shine on a startlingly wonderful new civilization."

All, however, were subconsciously waiting for questions that would come at the next session of the school.

Peace! Peace! Peace!

When navies are forgotten
And fleets are useless things,
When the dove shall warm her bosom
Beneath the eagle's wings;

When memory of battles
At last is strange and old
When nations have one banner
And foes have found one fold;

When the Hand that sprinkles midday
With its powdered drift of suns
Has hushed this tiny tumult
Of armies, swords and guns;

Then Hate's last note of discord
In all God's world shall cease,
In the conquest which is service,
In the victory which is peace!

—LAWRENCE KNOWLER

No more wars!

CHAPTER VIII

THE EIGHTH DAY

On Monday, the eighth day, the school opened promptly at 10 o'clock A. M., with about one thousand people in attendance. The Rogers Daily Post, in a town five miles away was now publishing each day a verbatim report of the school: and many in the larger attendance of the previous days were thus following the school at home. This had cut down the number coming. Farmers were also busy with their crops. The smallness of the audience, however, was soon accounted for in another way. News came that all over Northwest Arkansas and Southwest Missouri the people were getting ready to come in large delegations to be present on the next day which would be the last day. They wanted to demonstrate, by a great outpouring of the people, their sympathy for the principles represented by the school.

The one thousand, however, in attendance was made up of close reasoners and representative men from many parts of the United States. thoughtful students of current events.

An unusually intelligent audience faced the little speaker as his left hand sounded the bell securing silence and attention.

He began by saying that the day's session would be exclusively devoted to questions and answers. He hoped to make the answers short as possible so as not to consume time needed for the many questions that might be asked. The same ques-

tion at times might be in the minds of many but when one had asked it, it would answer for all.

He then announced that he was ready.

The first one recognized was Mr. J. N. McCarter, Attorney, Stanton, North Dakota. He said: "A reformer, conscientious, practical and sensible, meets with such ingratitude and indifference that he becomes discouraged and disgusted with the people, till he thinks they are not worth saving—and then lays down. What would you say to him?"

The reply was: "No one is a true reformer till he puts himself, as it were, in the position of the superintendent of an insane asylum." (Smiles were on the faces of many.) "They are not responsible for what they are doing—their indifference and ingratitude. Their environment has made them what they are. If they are cured, they will then be grateful." (Applause.) "We must not be disgusted and say the human race is not worth saving, because that is inclusive of all. It is not what they are, but what they ought to be, and by education and training a great human race can be brought into existence."

Question by W. W. Adams, abstractor, Ozark, Arkansas. "If present banking is profitable to the owners as you have explained and as one can readily see that it is, how do you account for the many bank failures, seemingly now growing more numerous? With some 400 in the Northwest in the last year."

Answer. "The banks have loaned their limit, say ten dollars in loans for each dollar they have, with much of this paper rediscounted in the East; and their borrowers being in debt and mortgaged to the limit, their products at a low price, what

they buy at a high price, taxes exorbitant, they cannot pay these banks. The bank's deposits grow less and they cannot pay the checks drawn on them. Hence they fail. But this does not pay the debts and mortgages of the people. The receiver of the bank forecloses on the people and they all go down together—former owners of the bank and the people. In the South and West the money that should be in circulation is going East to pay interest on bonds and thus the South and West is drained of its money. They were flush when the money was borrowed, while they were spending it, but finally being bonded and mortgaged to the limit, no more money comes, and interest payments drains them of their money. In Arkansas this annual interest is as much as one hundred million dollars annually, nearly all going East where the big money lenders are. The present system in the end will work ruin for all."

Question by S. H. Coffey, secretary of the Farm Labor Union of America, Bonham, Texas. "To what extent will present co-operative movements, now organized and being organized, cure the situation?"

Answer. "Temporary relief, in a way, only. It will enable the farmers, we will say, to get better prices for their products and in a small way to reduce prices on some of the things they must buy. It will enable them a little longer to pay interest on their mortgages—but in the end, present conditions continuing, they will all go down—becoming tenants. Labor Unions for a time will hold up wages, but farmers and business men going bankrupt they and their sons becoming wage earners, the number of unemployed will increase—breaking down character and creating world con-

fusion. The one possible good result from co-operation is that it sets them all thinking—which may lead to universal co-operation, of all, not by classes, but by all co-operating to establish a civilization that will benefit every one." (Applause.)

Question by S. E. Penn, proprietor Hermit Ranch, Lovejoy, Montana. "Isn't it true that our present banks pay 4% on time deposits and doesn't this lessen what otherwise would be their profits?"

Answer. "No, it does not lessen their profits. Under the present law, see section 19 of the Federal Reserve Act, banks are allowed to hold only 3% reserve as against time deposits. This enables them to loan time deposits 33 times, whereas on regular deposits the reserve required of them is: 'In banks outside of reserve and central reserve cities 7%; in reserve cities 10%; in central reserve cities 13%, but in all of them only 3% on time deposits.' They can afford to pay the 4% and make more money on such deposits than they make on regular deposits subject to checks."

Question by A. B. Hartley, real estate, Sargent, Nebraska. "You have stated that the government does not own the Federal Reserve Banks, that they are owned by the other banks. Many people have the impression that the government owns them. Can you satisfy us that your statement is correct?"

Answer. "The Federal Reserve Act provides for the banks owning the Federal Reserve Banks, and permits the government to own stock in them if it so wishes. To determine whether or not the government owned stock in them I wrote the

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United States Treasurer and received the following reply."

He then read the letter as follows:

"Federal Reserve Board, Washington, August 4, 1921. Dear Sir: Your letter of August 1st addressed to the Treasurer of the United States, asking to be advised of the amount of Federal Reserve bank stock owned by the government of the United States, has been referred to this office and in reply I would state that all of the stock of the Federal Reserve Banks is owned by banking institutions which are members of the Federal Reserve System, no stock being owned by the government of the United States. Very Truly Yours." Signed by "Walter L. Eddy, Assistant Secretary."

"I am now handing this letter to the Mayor of Monte Ne." Which he did, the Mayor sitting on the platform. "When this meeting adjourns any of you can come forward and read it. Or hereafter by addressing the Mayor of Monte Ne you can get a copy of it."

Question by Joe A. Parker, farmer and real estate investments, Parma, Missouri. "You have stated that the Federal Reserve Banks are exempt from taxation. This is so unreasonable I want to ask you for your authority."

Answer. "The last paragraph of section 7 of the Federal Reserve Act reads as follows." Taking it from a portfolio on the table, he read:

"Federal Reserve Banks, including the capital stock and surplus therein, and the income derived therefrom shall be exempt from Federal, State and local taxation, except taxes upon real estate." "My God!" expressed an Arkansas farmer sitting

in a front seat whose farm had recently been sold for delinquent taxes.

Question by Geo. E. Wallace, Monmouth, Illinois. "You have said that the Federal Reserve Banks get all the money they wish from the government without paying any interest on it. Your statement was practically that. This statement, also, sounds so unreasonable I think the authority for it should be given."

Answer. "Sections 7 and 16 of the Federal Reserve Act cover your inquiry. The government issues the money, federal reserve notes as requested, 'On the direction of the Federal Reserve Board and accepts its profit in such surplus as there may be in the profits of the Federal Reserve Banks after paying all expenses, its stockholders 6% dividends and accumulating a surplus for the banks of 100%. After that from the profits, to pay cumulative dividends to the stockholders, cover in to the surplus fund 10% of the profits and to pay over to the government any excess profits,' which has in the ten years been several hundred million dollars that the government has received. Nothing is said about interest. The government gets the excess profits. All comes from the people in interest they must pay to keep money in circulation."

Here Mr. J. H. McIlroy, a prominent banker of Fayetteville, Arkansas, was recognized. He said: "You have not stated much that you should have stated."

The little prophet interrupting Mr. McIlroy said: "Mr. McIlroy if you will wait a few minutes I am sure you will be satisfied. The discussion of any subject should at all times be fair to all concerned. The action of the government and the

bankers have been perfectly consistent with the policy adopted of getting money to the people by loaning it to them and you have no class of citizens more honorable than the bankers. Under this policy the government issues the money, now mostly federal reserve notes redeemable in gold; and turns it over to the Federal Reserve Banks exempting them from taxation only charging them with the cost of printing it; and to the National banks subject to state and local taxation, charging the National banks nominal interest 1 to 2%. The government looks to this banking system to loan the money to the people—to get it in circulation by loaning it. This the banks do at the interest rates you are familiar with. The theory of the government is that the bankers are close to the people, can judge their credit best and are entitled to a profitable compensation. The government and the bankers are acting honestly consistent with the method adopted for putting the blood of civilization in circulation. The total annual interest, now, is about seven billion dollars that the people are paying, annually, trying to keep money in circulation.

"We have been contrasting, comparing," he continued, "the effect of putting money in circulation by loaning it, the people contracting debts, to get it in circulation, with a policy of putting it in circulation by giving the people an opportunity to buy it for their services and property and incurring no debts." (Applause.) "We have nothing to say to the discredit of the banker."

The Federal Reserve Banks are paying their officials salaries, many times as much as similar officials in banks ever heretofore received, and are building many of them costing more than a million dollars—in large rentals. The cost of all which, with the salaries, they deduct from the profits, before turning anything to the government for what it gets—what is left.

is the system that they are agents for, and a part of, that we have shown has bankrupted the governments and people of the world; has fostered trusts and monopolies; is breaking down character; creating prejudices, and is mainly the cause of wars." (Applause.) "We have nothing against bankers personally, they are honorable men! It is the system we oppose. Civilization is at stake and we are trying to protect it." (Renewed applause.) "It is to the honor of the bankers that we now appeal to help save civilization."

Mr. McIlroy said nothing more.

The next one recognized was Mr. John Baldwin, a farmer, from Appleton City, Missouri. He said:

"In the solution of this problem of civilization, I want to know what you think of woman suffrage."

Everybody straightened up. Here was a collateral subject but one that might be an important one.

"The problem of creating a perfect civilization," the little philosopher began, "is one that enters into the homes, where there should exist harmony in the family unit. A successful and happy nation of people is based on the homes of the people. If there be harmony of sentiment there, almost any one of the family can go forth and cast a ballot for the family—for that home. The making of the home and the care and training of the children mainly depends on the wife and mother. She is the queen of the home and that is her dominion. The happiness of the family and peace of mind of the husband who is the provider and must go into the field or to business, depends on the management of the home. The one to do

this is the wife, the woman. The men of the family voting, harmony in the family existing, father and grown sons will register at the ballot box in 99% of families the expressed opinion of the family unit. If the women are to vote, it means they are put on committees, are sought after by candidates to electioneer, are themselves at times elected to office; all this taking them away from home and their children and diverting their minds from their God given province of making the home. It does not mean that she will not study the relation of government to civilization—she can do this in the quiet and undisturbed possession of her home—and being the much admired wife and mother by husband and sons—the queen of their home—she will have an influence controlling them in the ballot they are to vote. Much more so than she will if she neglects the home and children to become active in politics. Outside the home the only vocation woman should seek is as teacher and as nurse. In these vocations they can help train the children and be ministering angels to the sick. A womanly woman is to be admired, a mannish woman is not admired. Under a new civilization, a prosperous people, the men will bring home the necessities and comforts of life; and the wife and daughters will be at home cultivating the finer graces and making the house, the yard and the garden a welcome greeting to father and sons; where, semi-occasionally hospitality to their neighbor friends will mark the revival of that spirit that makes the social life an inspiration.

"The noblest career under Heaven," he continued, "the one for which woman was ordained by almighty Providence is making the home! Modesty and refinement in woman is the hope of awakening chivalry and knighthood in the men

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who will kneel before her as the sacred, living symbol of all that is pure and lovable! The new civilization should submit this question to a majority vote of the people." There was long continued applause coming from most of the audience, including many women, but not from all. They were objecting to it or thinking about it.

Question by A. W. Clemmons, a nurseryman, of Duchesne, Utah. "It is a custom now for people to protect themselves against old age by buying interest bearing bonds or other interest bearing securities—thus having an income in their old days." He stopped with that statement.

Answer. "They may, from time to time, deposit money in the government bank taking a certificate therefor, payable under certain conditions, age, disability or other necessity, and if not thus needed payable to the family or otherwise as he may direct. No interest thereon, but an accumulating sum that may become ample. In a prosperous civilization there will be fewer people in want as old age comes on—with better children and better neighbors. If it is life insurance he wants he can get it from Mutual Life Insurance Companies—but not from the 'Old Line Companies' as they exist by loaning money and will be gone—they are among the largest money lenders you now have."

Question by Dr. H. Q. Alexander, of Matthews, North Carolina. "There is now a state owned bank in North Dakota that does not give relief to the people of that state. Why does it not?"

Answer. "A state cannot issue money. The United States, the general government can. It is authorized to make and regulate the value of money. The bank in North Dakota is run and con-

trolled by what you call the 'Money Power.' receives deposits and turns them over to the banks to loan to the people as does the government at Washington."

Question by Reverend Agnes G. Bacon, minister and author, Duluth, Minnesota. "You have limited the vocation of my sex to the home—except as teacher and nurse—may they not be ministers? But I mainly rise to ask this question: 'It is claimed that in the last fifty years, the period in which money lending has grown in volume most rapidly, more inventions and industrial progress have been made, than in any previous period. What is your answer to this?'"

Answer. "The answer to your first question is. A minister is a teacher. She can become a great teacher in the pulpit. The answer to your second question is, Previous to that period you mention, money was not circulating in normal or sufficient quantity, but with the coming of the period you name, the law obtained permitting it, the money was loaned over and over, again and again, it being returned to the banks or while yet loaned mainly remaining in the banks, but checks representing it circulating and excepting when it brought on panics by loans being called in, it flushed the country with money, stimulating industry and inventive genius, that has brought the results you name;—but ultimately ends as it is now ending with the people submerged beneath national, state, municipal, corporate and private debts, taking all they make to pay interest and taxes. They have now borrowed to the limit—the result paralysis, and threatened destruction of all that has been accomplished. Whereas under the new civilization all the good that came with the fifty years of rapid loaning of money, will be

obtained, continue to grow and do more, with no debts or other evil results." (Continued applause.)

Mrs. Bacon rising, said: "It is gratifying to get both your answers."

Question by Thos. W. Harvey, real estate investments, Huntington, West Virginia. "You have limited wealth of any one person to \$50,000. I would suggest that it would encourage home ownership and the making of the comforts, elegance and refinement of homes, if the home building was not included in the limitation of \$50,000. Your plan of a new civilization strikes me so favorable, and I regard it as so indispensable, it would strengthen it, in the prospects of its adoption by the people, by the suggestion I make." (Applause.)

Answer. "There is merit in your suggestion and a proper subject to be submitted to the people, under a new civilization, with prospect for a majority vote in favor of it, provided the value of the home residence is limited to an amount that would curb the ostentatious display of wealth—fixing the amount for valuation of residence that would not be considered in the \$50,000 limitation of wealth. It would encourage home ownership and architecturally better homes."

Question by Mr. L. A. Neis, manager of the Western News Company, Chicago, Illinois. "Do I understand you that if one is a money maker, and by management or by chance becomes worth more than \$50,000, he will have the opportunity to spend the surplus himself for the common good in such way as suits his taste and desires? But if he does not, then the government enforces the limitation?"

Answer. "You understand it correctly."

Mr. F. J. Jungen, of Chicago, arose and said: "Those of my age can remember when a man was worth \$50,000 he was regarded as rich. And if in addition to this he can own his home it will be enough."

Question by Dr. Chas. A. Moore, real estate, Chicago, Illinois. "Under your new civilization, you have substantially said, and I take it for granted, that a declaration of war would be left to a majority vote of the people. But under the present Constitution of the United States it is left to Congress. I would like to see an amendment to the Constitution initiated and quickly adopted that in case Congress should declare war without a referendum to the people that each member of Congress voting for it shall resign his seat, irrespective of age, and join the active fighting forces in the war, their seats to be filled at a special election immediately following. How about it?"

Answer. "Your suggestion is good in a way, but only would delay war. Under the grind of present laws, financial and economic, wars are inevitable. Leaving it to a majority vote of the people will not stop war, because the aggravation leading to war under the present civilization will become so great the people will vote for it. And civil war, internecine strife, does not admit of an opportunity for a vote. The only step that can be taken to stop wars is the new civilization we are discussing."

Question by Dr. A. L. VanArsdall, Commerce Building, Kansas City, Missouri. "In your plan of a new civilization you provide for a system of public education teaching only the primary studies, leaving it to privately conducted schools to teach the specialties—law, medicine, engineering."

ing, chemistry, agriculture, etc. Why do you eliminate these special studies coming under public education?"

Answer. "There is nothing now so abused as is the state monopolizing education in these specialties you have named and which it is attempting to teach in the State Universities. It results in a congestion of too many pupils at one place. The teachers, professors, all are selected by one department of the state. The teaching of such schools should be left to competition. Teaching is an art possessed by many and competition would develop the best. Education in the arts and sciences left to competition, will result in many schools, academies and colleges, here and there through the country, developing the best of teachers and fewer pupils assembled at any one place—environment best suited for study. With a prosperous people the tuition will be readily forthcoming and infinitely better results will be obtained. When the government provides free schools for all, for primary education, which would include high schools for a finish and a polish in those studies, of course including character teaching, education thereafter should be under competitive schools—with a test, for the entrance of each pupil in each school, on character training. His perfect familiarity with the subject of character necessary for his admission."

Question by George L. Sands, President Farmers' Union, Little Rock, Ark.: "In the conflict between Good and Evil, you have laid bare wherein Evil has its most powerful influence by having possession of the financial system of the world—the money—the blood of civilization as you have so aptly termed it. I now want to call

attention to where this power is at times used with the most deadly effect; which must be overcome, a way found to meet it, or all is lost. Every four years here in the United States, there is a national election upon the result of which comes good or evil—either a policy of reform or to adhere to the present destructive system. Herein, each four years, comes a titanic struggle between Good and Evil. And about thirty days before the election the button is touched in Wall Street, by which the bank officials in all the large cities call in the owners of all the factories, which in the aggregate total millions of votes in the United States, and say to them, 'If — (meaning the reform ticket) wins, we shall call in all our loans. Its election means a panic and we will want our money . . . ' The factories and merchants are all in debt to the banks. This has the result desired—the superintendent of each factory calls the men, the workmen, together and tells them that if so and so is elected the factory is going to shut down . . . The workmen are absolutely dependent on their wages, and this turns millions of votes. This is one of the instances of the dreadful power of money! How are you going to meet it?"

Answer: "You have made a correct statement. Its effect extends farther than to the workmen in the factories. It goes into the towns and villages where many are in debt to the banks. The reply to it is this, to be gotten to all the men and women who it will be thus attempted to coerce—to carry out such a threat is the last thing in the world these financiers would think of doing. The closing down of the factories would mean hundreds of thousand—in the total millions of workmen—pouring out on the streets of the

cities, with interminable confusion, danger to property, and disastrous results to follow. The threat is made for its effect and not intended to be carried out. Present conditions is an appeal to the money lenders to make no such threats, and let democracy function by the people, un-intimidated, voicing their judgment.

Question by Geo. Colwell, Editor of the News, Wallaceburg, Ontario, Canada. "Under the financial system of the new civilization what is to become of gold, its value and its use?"

Answer. "Gold is now hidden away in darkness, in vaults. Gold is one of the purest of metals and its color is regarded as a symbol of sunshine. Due to the extensive demand for it as a redemption money it is now practically all in darkness hidden away from the sight of the people. When no longer used as money, it will come into the daylight at a reasonable cost, and will be used to embellish and beautify furniture; and the paneling of the interior of houses, bringing sunshine inside the homes; and in many other ways in which it will shine with the color of the sun, brightening, sentimentally, the social lives of the people. And being cheaper, the demand for money taken off of it, it will be used more extensively in the arts and sciences." (Applause.)

Question by Mr. B. F. Keith, a farmer, from Currie, North Carolina. "How is the present situation to be handled, when it comes to legally setting up the new civilization? What is to become of the debts, bonds, mortgages and notes now existing? How are the people to get a clean slate to start off with? As much as the new civilization is desired, indispensibly important to have,

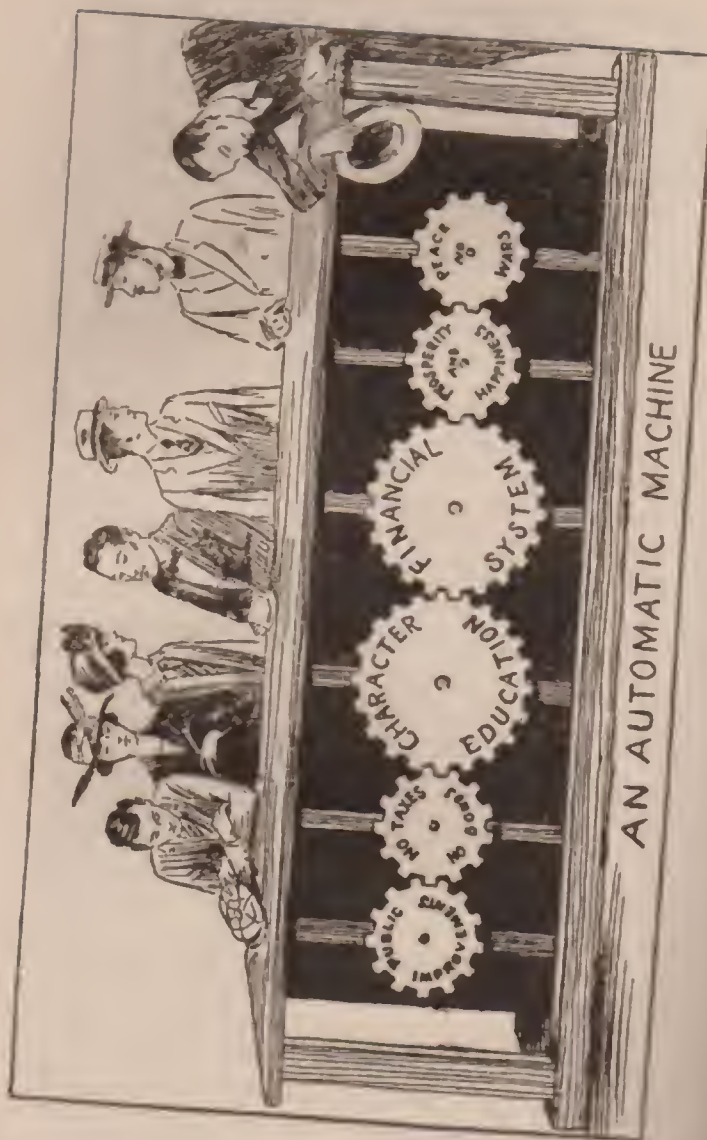
humanity, the existence of a civilization, all depending on getting rid of the one we have, yet to do so, a majority consent would be necessary:—and a method is yet to be disclosed—to shake off the encumbrance that is now upon the nation and the people. How can it be done by a peaceful method?"

The little statesman replied: "I am going to answer that question tomorrow. It is a question that will be in the minds of millions of people and is a subject of itself. I will answer it tomorrow."

There being no other questions the school adjourned, to convene the next morning at 10 o'clock. Tomorrow's session to be the last one of the school. Before adjourning the little teacher had requested that the 42 boys and girls present on the first and second days be in their seats at the next session of the school.

Soon after adjournment the committee on arrangements met and called in several to assist in a program for receiving and properly handling the many delegations that were reported as coming in the morning from many places.

George Singel of Fort Smith, Arkansas, was elected chairman of the committee and that night standing in a chair in the thronged lobby of a hotel, he said: "We now have before us the plan of a new civilization, every cog wheel in which fits, running smoothly, and automatically, creating a perfect civilization, peace on earth and the redemption of mankind from the evils and confusions now existing in the world. Tomorrow, let us hope it will be shown that it can be adopted by the United States, constitutionally, legally and peaceably."



CHAPTER XI

THE NINTH DAY

It was a beautiful day following the rising sun, such as is common in the Ozark Mountains. Delegations began arriving by 8 A. M. Starting at dawn as far as 50 miles away in automobiles, before 10 A. M., as many as ten thousand people were on the scene of the coming session of the school.

To understand this outpouring of the people one must know the situation in Benton and adjoining counties. The legislature in 1920, without previous discussion or notice to the people, had passed an Act, defining Road Districts in 64 counties, naming Road Commissioners for each district and authorizing the issuing of bonds by these commissioners, who were carefully selected for the purpose, for more than 100 million dollars. In Benton County, the scene now of the "School," it was for one million 600 thousand dollars with an annual interest of about 100 thousand dollars, a county with a population of only 22,000. Preparations for this bonding Act seems to have been made quietly, creating a concussion like a thunderbolt when it became known to the people.

Notwithstanding the State Constitution prohibits the issuing of any "interest bearing indebtedness by the state, any county, city, town or municipality," the supreme court by a vote of three to two had sustained the Act. Thus de-

ciding that notwithstanding this provision of the Constitution supposed to be all inclusive in protecting the people against interest bearing bonds, and which plainly was the intent, it could be negatived and annulled by creating civil divisions of the counties inclusive of the cities and towns to be known as "Road Districts," and authorizing them to issue interest bearing debts. The effect of this Supreme Court decision was that the state, counties, cities, towns and municipalities could all be redistricted under some other name than county, city, town or municipality and bonded without limit. It went even further than this. The Supreme Court affirmed an Act that took the issuing of the bonds out of the hands of the people and directed that men named in the Act should issue the bonds—which they did. The State Constitution had also placed a limit on taxation for any one year meaning to include all taxes, 'State, County, Municipal and School'—at 2 and 2/10 per cent of the assessed valuation of property—State tax one per cent, County tax one-half of one per cent, Municipal five mills, school tax two mills and authorized no other tax—meaning the aggregate of these to be the limit. This too was ignored and most of the people are now paying taxes, annually, as much as 10 per cent of the assessed valuation of their property and some of the people much more than that.

And what had still further aggravated the situation, the bond money had been recklessly, and corruptly spent. In Benton County the one million 600 thousand dollars were soon all spent with roads it had made that would not have cost under an honest and efficient management more than \$200,000. It was so testified to by expert, experienced road builders. This moral turpitude and

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official wickedness is thus felt in 64 Counties of Arkansas.

So, from Benton and adjoining counties, all affected alike, this day came an outpouring of the people. The reception committee handled them nicely, selecting the leading citizens in each dele-



EVERET JOHNSON'S BRASS BAND

gation and giving them seats in the pavilion. Everet Johnson's famous brass band that came with the delegation from Carroll County was seated on the platform which had been enlarged.

The meeting opened with the band playing Dixie and then The Star Spangled Banner. The forty-two boys and girls who composed the choir

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on the first and second days of the school were all present in their seats immediately in front of the stage.

The little statesman arriving, he was received with tumultuous applause. He first shook hands with all the members of the band, then pressed the bell, its ringing tones announcing that the school was in session.

He began, "On the first two days of this school we taught the young the elementary principles of government, partly so, and began teaching them character building. We have the class of 42 with us again today and we will use a few minutes with them."

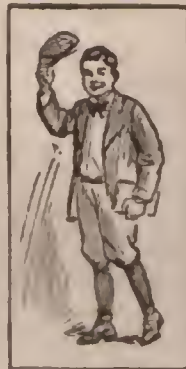
Addressing the boys and girls he expressed his pleasure at meeting them again in a way that brought smiles from all of them. He then had them stand and repeat with him the definitions of a Monarchy, a Republic and a Democracy. After that he had them set their chairs back, clearing the floor and form a line in close formation.

He then said, "When you were last before me you recited why promote the common good, the advantage of having a cheerful disposition, to be happy one must be honest, the value of being industrious, and that self-reliance makes one stronger, physically, mentally and morally.

"I am now going to tell you how you can grow stronger in all these desirable traits of character. It is by practicing them and by force of habit you will ever be prompted as they direct, thus tending to lead you happy and successful lives. As one gets in the habit of doing what is best it becomes easier and easier to do it. If one gets in the habit of doing wrong it will become a habit to do wrong. As the twig is bent it will incline to grow. So, remember the force of habit.

"I will now ask each of you to stand straight and join your hands behind you, the right hand clasping the left." They did so. "Now heads up looking at me," he said. A pause. "Now repeat after me," which they did. "Habit—is—a—cable—we—weave—a—thread—each—day—till—it—is—so—strong—we—cannot—break—it."

Then smiling he said, "I am so glad to have met you again—I am leaving tonight. You will now take your seats." When they were seated, encompassing the whole audience with his eyes he slowly began.



BY HABIT HE IS
POLITE

"I now want to speak as I would speak to the men of wealth the world over—and to the men of influence in every community on earth. A situation exists, around the planet wherever there are governments, that excites anxiety. If a new civilization is to take the place of the present one, the time is now ripe for it. If you postpone it prejudices and clashing selfish interests will embroil the people till all reason is submerged in savage strife. And if that comes it is too late.

"Science, knowledge discovered, is now supporting both sides as represented by Good and Evil. On the side of Evil deadly gasses are being discovered that can kill all the citizens in a city we will say in one day. Preparation is being made for more wars! If they come, and they are inevitable under the present grind of this civilization which is inciting antagonisms, that will result in arraying people in hostile strife against each

other, within nations as well as nations against each other.

"When the pent up prejudices and savagery of the people are once beyond the control of reason, it means that this civilization will be burnt to ashes.

"You must remember that government everywhere is being considered unbearable by the people;—this feeling is growing with increased taxation; with loss of liberties that are felt to be necessary for contentment and happiness regarded as belonging to the people of right; with corruption in administration of government and with laws that are working destructively. Do not blind your eyes to the situation as it is.

"That this attempt at an enduring civilization can crumble and become extinct is something that you should also consider. It is only about 6,000 years since this attempt at a civilization began and only in the last 500 years has it been discovered the world is round; a planet revolving in a universe of suns and planets. It is only in the last 200 years that the people of this civilization have populated the inhabitable continents and islands of the earth.

"What of other civilizations that have gone before this one? Prehistoric relics tell us they have been here and are gone. Geology, the most infallible historian of the earth's surface, in its language written on the strata of the earth's crust, gives us the information that the earth has been inhabitable for as many as 100 million years and inhabited for untold millions of years. This civilization is only 6,000 years old—a mere speck only, in the millions of years the earth has been inhabited.

"Civilizations have come and gone. How many of them have preceded this one we know not. We know positively that one or more have been here before this one. And they crumbled absolutely and disappeared, leaving no information as to why they fell. One that preceded us left the Pyramids of Egypt. What name they called that country we know not. And with all the wonderful knowledge this civilization has acquired, it is not yet determined how the people of that civilization lifted and put in place the heavy stones of which the Pyramids are built—heavier than any known means this civilization has for lifting and placing stones of that weight.

"May we not reason by induction that each of these civilizations rose to great heights of intelligence and then came face to face with the situation that we have now? And failing to solve the science of civilization became submerged in a sea of strife over differing opinions as to where the fault laid and what was wrong—the same situation that we now face? Realizing the trouble we are now in and the threatening dangers, is it not reasonable to conclude that all governments failed as the people contended in bloody strife? Those surviving after all order was destroyed, banded together in tribes—losing in the decades of struggle all knowledge of literature and mechanics, and started again in a primitive state to study the problems of commerce and the betterment of their condition?

"Are we not now where they were, just previous to their fatal decline?

"Is it not reasonable to so conclude, when we see how little the people now know about the science of civilization—how the nation is regarded as

an open field for any one to acquire what he wants with the possession of wealth unlimited to be owned by any one—and protected in his greed by law? Privileged laws that enrich the few and impoverish the many, just as the financial laws common to all nations now do? Where are the people in this civilization who have stopped to consider that there is no such thing as a civilization without money? That money is the life blood of civilization? That it should exist in normal quantity and be protected in its circulation? Am I not safe in saying there is not one such person in ten thousand?

"With that true of the present civilization is it not probable that it was true of previous civilizations?—considering that they were influenced by the same human nature that possesses the people of this civilization? If with all our intelligence acquired in taking care of ourselves, individually, we neglect the common good—unmindful that civilization is a science that must be mastered or we perish, is it not reasonable to conclude that other civilizations were in that situation preceding their downfall? And that they fell through ignorance of the cause of their falling?

"That we are now approaching a world catastrophe, plainly in sight, is not to be questioned. And with so few trying, intelligently and unselfishly, to save this civilization, is it not right to conclude that the people of past civilizations did not see the cause of the downfall of their civilization?

"In the 6,000 years that this civilization has been attempting to form and progress, there have been periods in which the same laches, errors, at periods crippled and destroyed government. One of the most blighting, and source of

these was the downfall of the Roman Republic. At each of these periods when ruin seemed to have banished all hope, the liberty loving people fled to undiscovered portions of the earth and again set up government.

"This flight and pursuit—good and evil—continued, till now the whole world has been discovered and inhabited; and the two, Good and Evil, now face each other in a moral and deadly combat. We are now at the crisis that came to prehistoric civilizations. There is no other undiscovered land to which the people can flee to again set up government and try anew the problem of perfecting a civilization.

"It is now or never with this civilization! Shall it perish and be numbered with dead civilizations?

"Does not every manly and humane instinct in the human race respond to the call to save it? If saved with the organism of a new civilization that masters a knowledge of that science, we go forward in a civilization perfected that will discover all the hidden knowledge of the universe, material and spiritual!" (Applause.)

"We thus view the perspective, a vista of the distant view, but not so distant, if we promptly act! No great house can be built without a plan, no great purpose can be achieved without a program.

"It must not be attempted by force! Force begets force! Hatred begets hatred! And all will end with this civilization in its grave! Kindness begets kindness! And honor is re-created! Unselfish handling of the situation will crown its effort with success!!

"Then how shall we proceed? The people here in the United States where liberty of thought still

exists—is not as yet under the heel of selfish oppression—can act! setting an example that will be followed by all the nations of the earth!” (Applause.)

“A National convention can be called by the legislatures of two-thirds of the states to frame a new constitution. Or two-thirds of the members of Congress, or two-thirds of the state legislatures, can propose an amendment to the Constitution which will be all sweeping, superseding and replacing all parts of the present constitution that conflict with the plan of a new civilization; and when ratified by three-fourths of the legislatures will become the fundamental law.

“Do you say impossible? That they will not do it, that ignorance is so all prevailing, selfish human nature so fixed and existing, that the people will not elect a congress and legislatures that will lift us on to this higher plane? The reply is, get the education to the people. Let them see the light, the possibilities, the permanent prosperity and happiness that will come to the human race;—that it will take only two or three years to bring it, when they act! Put the plan of a new civilization into every home, herald it to the multitude! and human nature will have left the breasts of men and women, if they do not respond by acclaiming it with their ballots!!” (Applause.)

“But, you will say, that selfish wealth, the men who have the monopoly of wealth, who own or control the press and the thoughts of the many, will continue to dominate public sentiment and be against the plan. The reply to this is: A crisis confronts them! It is the psychological time for them to consider! They have a choice. On one hand is confusion with threat of loss of all they have—with the loss of civilization itself. On the

other hand a comfortable fortune awaits them, \$50,000, with habits restored to plainness and simple life. They have the choice of the two. **A world lost! or a new world!!** promoting the happiness of mankind!! (Applause.)

"When they have studied the plan of the new civilization and see the logic of it, that it will work smoothly and efficiently, do you not give most of them credit with having a moral sense of their duty? Mr. Rockefeller has given millions of dollars to promote education, science of health and other benefactions. Mr. Carnegie did the same in his life time. On dying their inanimate forms possess nothing but a shroud and the casket in which they are laid at rest. There are tens of thousands of such men who are giving to alleviate the welfare of the people and the distress of the poor. Will they not, most of them, when the opportunity is offered, give liberally to the new civilization which provides for securing the permanent happiness of mankind? and to the rapid advance of the human race in the development of character and wisdom, co-extensive with the universe and eternal life!!

"This class of men are now giving, more or less, to relieve distress. With the cause creating distress, continuing their gifts bring temporary relief only. The great gift they will give when yielding to the form of the new civilization will bring permanent relief! (Applause long continued.)

"It is the custom now, in time of war, to draft men and take their lives in defense of the nation. Is it not equally as just and right, and placing this right of compulsion on a higher plane, when you draft the surplus and unnecessary wealth of the individual in defense of civilization? Endow-

ing him with a new civilization in which he will not need that surplus wealth?" (Continued applause.) "The men drafted to go to war have, as a rule, willingly complied. Will not the wealth of men drafted to create a new civilization, to save the loss of civilization, as a rule, willingly comply? It speaks for their honor and manhood to say that they will!" (Renewed applause.) "It does not take all they have and leave them to again struggle for a competency. It leaves them wealth of the value of \$50,000. At the time of the World war it was proper and approved to advocate the draft of men who gave their lives. Is it not proper now to advocate the draft of wealth to save a civilization?

"With a knowledge of the coming of the adoption of the new constitution, they can begin spending their surplus wealth. The freedom and right will be theirs to bestow it or use it as each may desire. And the constitution can give them, say, one year after it is adopted to do so. During that year I now forecast that thousands of them will voluntarily be paying much of it into the government banks—one in each district of 12,000 people." (Renewed applause.)

"A legal and peaceful solution of the great problem that now confronts mankind is imperative! The alternative is death and destruction! Hatreds that will never heal! Revenge a Nemesis stalking through the land! If the new constitution is not adopted, the people resort to force to overthrow the present constitution that nurses and protects selfish wealth, or the continued attempt to enforce the present constitution, either of these, will write in the unlettered darkness of oblivion and savagery an epitaph upon the tomb of this civilization!

"To plan, work out and vote for the new civilization will not hurt business as now conducted. Let it proceed as it is now, and in a quiet and calm contemplation, good will and a smile for all, let the people register at the ballot box the verdict! There will be nothing made by abuse or acrimonious debate. Argue and analyze the problem as you will, as we have freely analyzed it here! And all get ready for the coming of a NEW CIVILIZATION!" (Long continued applause.)

He was done. He did not ring the bell, but indicated by his manner that he was through. He had not closed in a burst of oratory or impassioned appeal as he might have done, one that would have stirred the hearts of his listeners! He had left that to the subject itself. His mind seemed to be all comprehensive, and knew that the impassioned words of eloquence were of temporary effect only; that the emotion that must exist in the breasts of men and women to move the human race to act must exist in facts and conditions and in a knowledge of the way out. All these he had brought forcefully to their attention and on this concluding day he had made clear the WAY OUT!

He could have said, "We who are now living stand at the vantage point in all the cycles of time, to do the one great thing that the people of all past civilizations might have done and did not do. We can see why they did not, because their human nature was as ours now is, that is, about to plunge us into error of action that would carry us where it carried them. But now in the last nine days what has been revealed to us, to me and to you, is a tocsin sounding an alarm and calling upon the people of this civilization to avoid error and take the right step. At the critical moment

that has come to this civilization, the people profiting by wisdom, can save and perpetuate and make a perfect civilization here on this PLANET!"

When the applause had stopped the audience sat or stood silent as if waiting for the little statesman to continue as he was still on the platform. Noting the uncertainty existing in the minds of the multitude, he faced them and said, "I am through! I bid you all an affectionate adieu!" And again there was applause long continued—a greeting and farewell!

He had the rapt attention of the audience from start to finish. It was a scene, as ten thousand people hung upon his every word, never to be forgotten.

"To what extent," was in the minds of many, "will what he has said reach the people of the world?"

THE END

APPENDIX

THE PYRAMID

By WILLIAM H. HARVEY, the author and builder of the Pyramid.

THE PYRAMID or Obelisk, it may be called, will be built of Portland Cement Concrete. All knowledge now known regarding cement work will be used to make it a structure that will last for all time. The Portland Cement Association has donated the services of one of its experts to aid in its construction. He came on the ground and viewed the site when in course of preparation, passed on and directed the grade of sand and gravel to be used and defined the proportions, cement, sand and gravel, 1-2-4 with steel reinforcement, of which the Pyramid will be constructed. He will be present from time to time and observe the progress of the work. He gives it as his opinion, with a water-proof finish to the surface, the Pyramid will not deteriorate or suffer from erosion by action of the elements and will last a million years and longer, indefinitely.

I also have the assistance and advice of geological engineers relating to the formation of the rock under the Pyramid in preparing the foundation that it also may endure forever.

Construction has begun by work on the foundation with reference to protecting it and making it as enduring as the Pyramid. A retaining wall of rock and concrete 165 feet long has been built on one side of the site to prevent water flowing in the valley from ever encroaching on the Pyramid. While the foundation is being

the Pyramid is solid limestone rock, tunnels are penetrating the mountain about it and holes 6 inches in diameter drilled four feet apart down thru the limestone rock to a granite rock below and all these openings in and about the foundation to be filled with concrete and cement float till all water is excluded and all possibility of erosion by action of underground water is prevented.

The pedestal of the Pyramid resting on this foundation of solid rock and cement will be 40 feet square and 10 feet high—containing 16,000 cubic feet of reinforced cement concrete. The Pyramid resting on this pedestal will be 32 feet square rising perpendicular, this size, 35 feet then reduced to 22 feet square and rising in shaft like formation 85 feet and ending at the top 6 feet square. A total distance from the ground to top of the Pyramid, 130 feet.

In the part 32 feet square will be a room 16 feet square surrounded by a wall, concrete, 8 feet thick. In the shaft there will be two vaults.

In the construction of the Pyramid, there will be used 14,000 sacks of cement, 27,000 cubic feet of sand and 54,000 cubic feet of gravel. The total cost is approximately estimated at \$25,000.

The location of the Pyramid is at Monte Ne, Benton County, Arkansas (the northwestern county in the state) in the Ozark Mountains. The site selected for it is at the end of a spur of the mountain at the edge of a valley. These mountains, according to some geologists, were once 14,000 feet high, above sea level. They are among the oldest mountains in the world. The Rockies are a baby compared to these. By a process of erosion, they have been brought down to a height of 1,400 feet above sea level. The distance from the site of the Pyramid to the top of the mountains is about 240 feet. If by a process of erosion the valley is filled in and the mountains about it lowered, in the long time to come, the Pyramid, at 130 feet height, will be visible sticking out of the ground. Geologically, it is figured a certainty that there is no danger from earthquake action in these mountains. So the Pyramid is safe to endure for all time.

APPENDIX

On top of the shaft of the Pyramid will be placed a plate of the most enduring metal known, with the inscription moulded in the plate,

When this can be read go below and find the cause of the death of a former Civilization.

Similar plates will be placed on the exterior wall of the two vaults and the room, except, "go below" on the reading will be changed to, "go within."

In the large room at the base of the Pyramid and in the two vaults in the shaft will be placed a book giving the rise and decline of this civilization and the cause of its death. It will be a cloth bound book, of probably 300 or 400 pages, printed on paper on which a paper expert in New York City will pass, and each page of the book will be covered with transparent paper, that is now made for such purpose, thru which one can readily read, thus preserving the ink from fading.

When the Pyramid is completed except the closing of the entrances to the room and two vaults, it will be given a year to dry. And during that year the book will be written and three volumes printed and prepared to go therein.

Also, as the product of unselfish wisdom there will be placed in the Pyramid this book, Paul's School of Statesmanship, written and published pending the building of the Pyramid;—in an attempt not yet hopeless of saving this civilization, and if not saved to be read by the people of a future civilization.

The two books, one of each, will be placed in three heavy glass containers, at a glass factory, with the lid moulded thereon, the air taken out thru a small hole in the glass and then sealed up hermetically. One each of these three containers will be placed in the room and two vaults of the Pyramid.

All money received by me from the sale of the books as published and given to the people now living will be treated as a Trust Fund to be used in trying to save this civilization.

In the room, in addition to the books, will be placed volumes on each industry and scientific attainment that has been developed by this civilization, containing pictures of all inventions and discoveries. Also of people and animals and statuettes of the former, showing styles of dress at different periods of this civilization. Also a book that will aid in their translation into the language in use when the Pyramid is opened.

The three entrances to the Pyramid will then be closed, with reinforced concrete and the plates securely bolted thereon. During which process the air will be taken from the room and vaults.

It is presumed that a new civilization rising from the ashes of this one, will rise slowly, as this one has, making discoveries gradually as prompted by human reason knowing no more of what we have discovered than we know now of the stages of advancement of prehistoric civilizations and that it must arrive at a period when steel and dynamite has been discovered by them, before they can break into the Pyramid. Which presupposes an intelligence for deciphering the words on the plates and for appreciation of what they find in the Pyramid. As the room and each vault will contain information of the existence of the other two compartments, if by explosion of dynamite the contents of the first one entered, destroys, in part, its contents, they will use more care in entering the other two.

The records of ancient civilizations which we have unearthed do not tell the merits and demerits of those civilizations, the struggles of those peoples and why they fell. The Pyramid to be erected here will contain all such records. Upon opening the Pyramid and reading the documents contained therein, mankind thousands of years hence will learn of the railroads, the telegraph, the radio, the phonograph, the telephone, the linotype, the flying machine and of the circulation of the blood thru the human body, all discoveries of the last 400 years. Of the 6,000 years that this civilization has been groping forward it is only in the last 500 years that the earth was discovered to be round and the

Western Hemisphere explored. A globular map of the world will be seen by those who enter the Pyramid.

Newspapers are now referring to this Pyramid as an idea copied from the recently disintombed vaults of Tut-ankh-Amen. The Prologue to "Common Sense" (a book I wrote in 1920 that will also be placed in the Pyramid) has been the same, word for word, in each edition, and the first edition announcing this intentioned Pyramid appeared in print March 1, 1920, more than two years before the discovery of the tomb of Tut-ankh-Amen. Nor is there any similarity. His was to contain his remains and things of and about him. The purpose of the Pyramid is as stated and the person of no one will be entombed therein. There will be nothing about it that partakes of self or vanity and no one's name will appear on the outside of it. The only inscription will be what appears on the metal plates.

Experts, men of science, relating to those things that go therein and their preservation, will be present when the Pyramid is closed.

It has been said to me by several of our numerous helpers that others would be glad to contribute to the cost of the Pyramid. That it should be built by many and not by me alone.

I had not before thought of this, it being my intention to meet the cost myself. But to do so the work on it must proceed, periodically, as a small income I have permits; or as I sell real estate here of which I own considerable, free of inheritance. My will, in case of my death, puts my estate behind it as of first consideration, and my son, who will be my executor, will cheerfully comply with the will. I estimate that I can finish it myself in five years. But there is a sentiment that speaks volumes for our cause in the desire of others to join me in the building of the Pyramid. And it will hasten its construction. Possibly within a year.

I shall, therefore, throw open the opportunity for contributions to a Pyramid Fund, to be kept in an

account by that name at a bank. All checks on it will be voucher checks, each giving name of payee and what it pays for, and signed by me and a treasurer I will appoint for the Pyramid Fund. I shall, however, limit the amount any one can contribute to \$25.00; not less than \$1.00, nor more than \$25.00.

I shall keep a careful list of names and home address of each contributor, and when the Pyramid is being closed, just prior to the locking of the inner steel gates and concreting up the entrance to the room in the Pyramid, this list of names written on parchment paper reading, "**Names and address of those who contributed to the building of the Pyramid,**" placed in a small glass container will be laid, by me, on the large glass container that will set on a concrete pedestal in the center of the room. I will then communicate with each contributor to know if he is willing to have his name printed in the book that will go to the public, the book heretofore referred to, the contents, of which, will be a duplicate of the book placed in the glass containers in the three departments in the Pyramid. Each can rely on my promise that his name will not be printed in the list of contributors unless I have his written consent either at the time of making the contribution or later. This is to meet a contingency where there may be some one who for private reasons may not want it known that he is one of the contributors. **But his name will be on the parchment list in the Pyramid.**

Monte Ne, Ark., July 1924.

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SUBJECTS

CHAPTER I

Speaks of the importance of a perfect civilization. Defines a Monarchy, a Republic and a Democracy. Gives the reason why all forms of Government have failed.

CHAPTER II

Teaches character to the boys and girls—the common good—a cheerful disposition—honesty—industry—and self-reliance. Tells them, to be happy they should eliminate selfishness, vanity and prejudice from their character. Says the people are now so disturbed and restless there is not an opportunity to teach character as it should be taught; and that there will not be till the present “knotted civilization is untangled”—and prosperity and contentment of the people is restored.

CHAPTER III

Explains how a government can be created where there will be no taxes, no assessors, no tax collectors, no bonds and no debts. Illustrates it with a Government on an Island. Invites criticism and questions toward testing the practicability of the plan of Government he has presented.

CHAPTER IV

Mr. Moe, a County Superintendent of schools in Montana, opens the discussion on the part of the audience

approving what the little philosopher has said. Then comes Mr. Finis Miller, a banker and financier who attempts to show the fallacy of the new civilization proposed by the little teacher, running into many questions and answers. That evening many conferences are held on the lawn of the Club House Hotel in which prominent business men and financiers take part.

CHAPTER V

Questions are put to the little statesman and philosopher developing important answers relating to the new civilization, further testing the plan of a Government conducted without taxation, the rapid making of public improvements, without bonds or other debts. Shows the number of banks needed in the United States under the new civilization and the amount of deposits there will be in each bank. Gives the debts and the fair cash value of all the assessable property in the United States. Also an approximate estimate of all the debts and value of all property in the world. Mr. C. M. Cade, president of a Shawnee, Oklahoma bank gets recognition and is promised a hearing the next morning. Another conference that evening on the lawn of the Club House Hotel.

CHAPTER VI

Mr. C. M. Cade, president of a Shawnee, Oklahoma bank, gets the absorbing attention of the audience; approves the plan of a new civilization, but points out its weakness and wherein it will fail. His closing is startling and casts a nervous chill upon the audience. The little statesman says there is not time at that session of the school to reply to Mr. Cade and that he will reserve the reply till the next day. There is time, however, he announces to recognize and hear a few others before that session of the school adjourns. Important

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questions are then put to him by Mr. T. S. Hagedorn of Holstein, Iowa, John L. Garber of Columbus, Ohio, Mr. W. S. Roebuck of Ft. Wayne, Indiana, and Mr. P. A. Spain of Paris, Texas, all of which questions the little philosopher answers. His reply to the question of Dr. Spain creates a profound impression on the audience. His closing words—"To the people and to their God!" are words that will be heard repeated by millions of people in the World. Conferences again follow on the Club House Hotel lawn.

CHAPTER VII

The little statesman, teacher and philosopher replies to Mr. Cade, disclosing a financial system that removes all objections—meets all demands and requirements for an ideal monetary system. An important feature of it is one that will bring peace on earth and the end of wars. This session of the school is attended by 5,000 people and a lasting impression is made on the minds of all.

CHAPTER VIII

It is a day of questions, covering the whole field of possible questions relating to the plan of a new civilization.

CHAPTER IX

The last day of the school. The class of 42 boys and girls present on the first two days of the school are in front seats and attention by the little teacher is first given to them, in a final lesson on character education. He then addresses the whole audience numbering 10,000 people (who have come in large delegations from Benton and adjoining counties) on the passing of prehistoric civilizations—why they fell and how

to take quick action to save this civilization and perpetuate it—leading to its perfection, the redemption of the human race, and, life everlasting among the possibilities and probabilities of the future. Amid the plaudits of the multitude he bids them an affectionate adieu!

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